



Charles A. Richman
Acting Chairman

Anthony L. Marchetta
Executive Director

March 27, 2015

Dear Housing Sponsor:

On behalf of the New Jersey Housing and Mortgage Finance Agency, I am pleased to provide you with an application for the Choices in Home Ownership ("CHOICE") 2015 Program.

The CHOICE program exhibits the State of New Jersey's commitment to providing affordable homeownership opportunities for workforce income families. Since the program's inception nearly 20 years ago, CHOICE has funded more than 4,000 housing units for more than 150 developments in over 30 cities, across the State. Few, if any, of these units would have been produced without the CHOICE program and its subsidy.

CHOICE is designed to help establish viable homeownership opportunities in emerging market communities where it costs more to develop single family homes than that for which they can be sold. The ultimate goal of the program is to stimulate mixed-income for-sale housing production in emerging market neighborhoods and increase the number of quality, new homeownership opportunities for workforce homebuyers, bolstering homeownership and community investment.

The Agency's Board of Directors recently approved the 2015 CHOICE program round, allocating up to \$10 million in gap financing subsidies for eligible homeownership developments. The CHOICE 2015 Program, as in the past, provides developers with low interest rate construction loans, CHOICE gap subsidy funds and 100% LTV financing permanent end loans. The CHOICE 2015 application covers all three loan components.

Please read the CHOICE 2015 Program Guidelines carefully as they differ from past applications rounds in several significant ways, including removing Agency only funding as an option, providing CHOICE subsidy upon construction completion rather than during construction, excluding income restricted affordable units, reducing the EMU Shared Appreciation from 15 years to 10 years, increasing the total development cost per unit from \$250,000 to \$275,000 and the per square foot cost from \$125 to \$130, and requiring pre-sales for multi-level condominium buildings prior to any draws on the construction loan.

In order to submit a proposal for the CHOICE 2015 Program, the developer/sponsor must meet with Agency staff to review their application, prior to the submission. This will take the place of the training that was required in the past. If you have questions, please contact any of the Agency staff members listed in the CHOICE Program Guidelines.

Thank you for your interest in CHOICE and your role in making the dream of homeownership a reality. I look forward to working with you in the future.

Sincerely,

Anthony L. Marchetta
Executive Director

Enclosure

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

637 South Clinton Avenue ▲ P.O. Box 18550 ▲ Trenton, NJ 08650-2085

TELEPHONE: (609) 278-7400 ▲ WEB: www.nj-hmfa.com

Directions to
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
637 S. Clinton Ave. (entrance on Dye St.)
Trenton, NJ 08611

From the North via Route 1

Take Trenton Freeway/Route 1 south to Route 129 Broad St. - Chambersburg exit.
Take first exit, South Broad Street ramp. Turn left onto South Broad Street.
Turn left on Dye Street. Go to light, turn right onto S. Clinton Ave.
Next light, turn left onto Hudson St. Parking lot entrance on left.

From the New Jersey Turnpike

Take Exit 7A- Rt.195 West (Trenton/Hamilton) for approximately 5 miles.
Rt. 195 turns into Rt. 129. Stay to the right.
Turn right at the 2nd light-Cass St. McDonald's will be on the corner.
Turn left at the first light-Hudson St.
Go thru the next two lights and the Hudson St. Parking lot will be on your left.

From the South & East via Rt. 295 or Rt. 195

Take Route 295 north to the 29-129 north OR take Route 195 East to Route 129.

On Route 129, stay to the right. Turn right at second light - Cass Street. Go one block.
Turn left at light onto Hudson Street. Go thru the next two lights and the Hudson St. Parking lot will be on your left.

From PA via Route 95/Route 1

Take Route 1 north to Route 29 south OR take Route 95 to Route 29 South (Trenton) exit.
Turn left at light at River Front Stadium onto Cass Street. Cross over Route 129 at light.
Go one block. Turn left at light onto Hudson St. Go thru the next two lights and the Hudson St. Parking lot will be on your left.

Attendance is required. To register, please visit <http://www.nj-hmfa.com> to complete and submit your CHOICE registration form.

SUMMARY OF SUBSTANTIAL CHANGES TO THE 2015 GUIDELINES

1. Agency only funding will not be included as an option in the CHOICE 2015 application.
2. Each unit's subsidy amount will be provided after the construction loans are depleted. (Previously the subsidy was provided along with the construction loan.)
3. Developers are permitted to include counseling fees and a 3% sellers concession fee (to be used towards closing costs) as budgeted line items for any units that are not eligible for the Agency's 100% Financing Program.
4. The Agency shall charge a nonrefundable application fee of \$4,000 for for-profit developers and \$2,000 for non-profit developers. (Previously the amounts were \$3,000 and \$1,500 respectively.)
5. Income restricted affordable units cannot be part of a CHOICE project. (Previously, less than or equal to 20% of the project was eligible to be affordable without CHOICE subsidy if proof of need was demonstrated by evidence of municipal support.)
6. Scattered site projects will be considered where properties involved in the project are contained within an approximate 1/4 mile radius of the most central property. (Previously this was 1/8 mile radius.)
7. The sale of each EMU shall be subject to a Shared Appreciation for 10 years. Under this restriction, at the time of an arms length sale, conveyance, or refinance of the EMU, and in an amount that shall not exceed that of the subsidy attributed to the unit, the buyer shall repay the Agency from Net Proceeds 100% of the net appreciation should the unit be sold/refinanced during the first 3 years, with a decrease of 12.5% each year thereafter. (Previously there was a 15 year restriction.)
8. Unit Options – At time of application, developers planning to offer unit options must submit the list of options, including the cost to the developer and the cost to the homebuyer, to the Agency and to the Participating/Lender for approval. In no event will the cost to the homebuyer exceed 20% over the actual cost to the developer.

Developers will be permitted to offer options to buyers that will increase Agency-approved sales prices of any units by up to 20%, but shall not result in an increase of the approved developer fee.
9. The "Total Development Cost" shall be increased to \$275,000 per unit. (Previously this was \$250,000 per unit.)
10. The budgeted per square foot cost for "Residential Structures" should not exceed \$130 per square foot, (\$150 per square foot if on-site and off-site infrastructure are included) for construction projects. (Previously this was \$125 and \$140 respectively.)
11. Pre-Sales – Developers of multi-level condominium buildings will be required to demonstrate a certain number of pre-sales as determined by the Agency and the Participating Lender prior to any draws on the construction loan. The determination as to the number of pre-sales will be on a case by case basis.



CHOICE 2015

CHOICES IN HOMEOWNERSHIP

CHOICE PROGRAM GUIDELINES

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

CHRIS CHRISTIE, GOVERNOR, STATE OF NEW JERSEY
KIM GUADAGNO, LIEUTENANT GOVERNOR, STATE OF NEW JERSEY
CHARLES A. RICHMAN, ACTING COMMISSIONER, DEPARTMENT OF COMMUNITY AFFAIRS
ANTHONY L. MARCHETTA, EXECUTIVE DIRECTOR, NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

CHOICES IN HOMEOWNERSHIP ("CHOICE") PROGRAM 2015 GUIDELINES

Program Overview	<p>The Agency's Choices In Homeownership Program ("CHOICE"), is a comprehensive financing program for the development of newly constructed and gut rehabilitated homeownership (owner-occupied primary residences) housing available in New Jersey.</p> <p>Following in the tradition of its predecessors UHORP and MONI, CHOICE provides subsidy funding to be a catalyst for the creation of viable homeownership markets in municipalities where home values currently do not support a sustainable new construction housing market. The CHOICE program seeks to strengthen homeownership in "Emerging Markets" by financing and subsidizing the development of for-sale housing that is not deed-restricted for resale, thereby encouraging and facilitating the emergence of a viable and market driven housing market.</p> <p>The CHOICE program features below-market interest rate construction loans and construction subsidy funding for developers as well as favorable end loan financing for eligible homebuyers, subject to funding availability.</p> <p>Prior to submitting an application, the developer/applicant is required to meet with Agency Staff to go over the submission packages. This meeting will take the place of the CHOICE training that was required in the past. This is a technical assistance meeting and does not obligate the Agency to take action on the project's CHOICE funding application.</p>
CHOICE Construction Loan	<p>Shared construction funding - The Agency and a participating lender will have equal shares of the construction loan along with a pari passu first lien position.</p>
Forms of CHOICE Financing	<p>The Agency has the following forms of financing:</p> <ol style="list-style-type: none"> 1. The Agency provides shared construction funding without subsidy. 2. The Agency provides shared construction funding. Draws on the subsidy will be provided after the construction loan is depleted.
Participating Lender Involvement and the Intercreditor Agreement	<p>For CHOICE projects, the Agency will provide 50% of the approved construction loan required to complete the project with the balance of the loan provided by the applicant's chosen private construction lender (herein after "Participating Lender"). The Participating Lender must be approved by the Agency and be able to sign the Intercreditor Agreement. The Participating Lender must be independent of the developer. Applicants should be aware that it is their sole responsibility to obtain a lending commitment from a Participating Lender and that the Agency makes no representation that any lender, be it a Agency approved Participating Lender or otherwise, will make a commitment to the applicant or sign the Intercreditor Agreement.</p> <p>The Participating Lender Term Sheet must be submitted within 30 days of CHOICE application date (serving as a conditional letter of interest for construction lending).</p> <p>The Participating Lender must submit their commitment for financing, within 120 days of the Agency's commitment. In the event that the Agency does not receive the commitment from the Participating Lender, the application will be considered inactive and returned to the Developer.</p> <p>The Agency and Participating Lender will make progress inspections, approve draw requests in conjunction with Agency staff, handle construction period servicing and disburse the CHOICE construction loan and subsidy funds (except for the required subsidy retainage, which will be disbursed by the Agency directly to the developer).</p> <p>CHOICE applicants should be aware that the terms and conditions, set forth in the Intercreditor Agreement are applicable to CHOICE projects in conjunction with these program guidelines. In addition, Participating Lenders may impose requirements regarding recourse and guaranties, and many other terms and conditions, that may not be expressed in the Agency's documents, but which will inure to the benefit of the Agency either under the Intercreditor Agreement or the terms of the Participating Lender's construction loan agreement.</p>

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<p>Types of Financing available</p>	<p><u>CHOICE Construction Loan:</u></p> <p>The maximum construction loan shall not exceed 90% of the appraised value of the completed project.</p> <p>The Agency and the Participating Lender will contribute an equal percentage of the final construction loan amount approved for the project. The construction loan will be administered as one loan and the Agency and the Participating Lender's participation are secured by separate pari passu first mortgages and notes of equal lienhold status.</p> <p>At time of closing, the Agency will set an interest rate on its portion of the loan that is equal to the interest rate offered by the Participating Lender on its portion of the loan. The construction loans shall be co-terminus and shall not exceed 24 months from the date a construction loan agreement is executed by the borrower and Participating Lender. The Agency and Participating Lender may recommend a six-month extension beyond the original term of the construction loan to the Agency; such recommendation is subject to the approval of the Executive Director and the Agency's ¼ point extension fee.</p> <p><u>CHOICE Subsidy Funding:</u></p> <p>The Agency may provide up to \$50,000 per unit in CHOICE subsidy funds, which can be used for the development of Emerging Market units (EMU) included in the project. Affordable units are not eligible for subsidy. Draws can be taken on the subsidy after the construction loans are depleted. Any intervening liens or encumbrances must be pre-approved by the Agency in the form of Agency Board approval.</p> <p><u>End Loans for Homebuyers:</u></p> <p>For projects located in smart growth areas, the Agency makes favorable end loan financing available to eligible buyers of CHOICE financed units. The Agency's maximum 100% Financing Program amount per project will be 50% of all units limited to 25 units, subject to funding availability. Note that the Agency requires 51% of the project units to be under contract of sale to separate purchasers prior to purchase of any 100% Financing Program mortgage loan by the Agency from the originating lender. This program does not require a downpayment or private mortgage insurance and may finance certain closing costs. Borrowers are required to have sufficient liquid assets to pay escrows at time of application (approximately \$800). The interest rate for each of these 100% Financing Program loans will be based on the interest rate available at the time of homebuyer application. The Agency shall originate the 100% Financing Program loans. Other types of Agency end loan mortgages are available to EMU homebuyers and may be originated by participating private lenders.</p> <p>Developers are permitted to include counseling fees and a 3% sellers concession fee (to be used towards closing costs) as budgeted line items for any units that are <u>not</u> eligible for the Agency's 100% Financing Program.</p> <p>No CHOICE financing may be used to develop or support projects designed as lease-purchase projects.</p>
<p>Financing Fees</p>	<p>The Agency shall charge a nonrefundable application fee of \$4,000 for for-profit developers and \$2,000 for nonprofit developers.</p> <p>The Participating Lender is permitted to charge for usual and reasonable costs involved in processing the application. All fees will be borne by the applicant. Fees shall not exceed those charged privately for comparable loans. Fees may include inspection and plan review fees, credit reports, appraisal, flood certification, environmental tests, attorney fees, survey, and other reasonable third party costs. A usual and reasonable application fee may be charged in addition to the reimbursement of third party expenses.</p> <p>For a commitment fee, the Participating Lender may charge no more than 50 basis points on the full Construction Loan amount, payable at commitment. The Agency may charge no more than 50 basis points on the full Construction Loan amount, payable at commitment.</p> <p>The Agency shall charge a \$1,000 fee for for-profit developers and a \$500 fee for nonprofit developers for an extension of the CHOICE financing commitment, payable upon the request for the extension.</p>

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	<p>Any Agency-approved one-time extension of the construction loan term will be subject to a fee equal to ¼ point calculated on the outstanding principal balance of the Agency's construction loan amount, plus any available loan balance.</p> <p>No fees or points may be charged by the Participating Lender or by the Agency to the borrower for the CHOICE Subsidy Funding.</p>
Eligible Uses of the CHOICE Construction Loan and Subsidy Funding	<p>Eligible uses of the CHOICE Construction Loan shall be released on a pari passu basis with the Participating Lender's and any other Agency construction loan proceeds for any development budget items approved by the Participating Lender/Agency. At all times and in a timely manner, the CHOICE applicant must bring to the Agency's and the Participating Lender's attention – for the Agency's and the Participating Lender's review and approval - any other sources of funding available to the project and any side agreements, contracts or contractual understandings of any kind that the applicant has entered into or intends to enter into with any other party or parties regarding the project.</p> <p>Ineligible uses of the CHOICE Construction Loan and CHOICE Subsidy Funding include, but are not limited to, the following:</p> <ul style="list-style-type: none"> ■ Payment of developer's administrative costs/overhead. ■ Payment of project consultant fee (this is paid from the developer fee/profit at project completion) ■ Payment of interest/fees not in the approved development budget ■ Pre-construction deposits on modular units or on any other construction materials, unless approved by the Participating Lender and the Agency. ■ Payment for costs incurred by the borrower for materials stored on or off site ■ Payments for buyer counseling services, community development activities and employment training and tools <p>Ineligible uses of CHOICE Subsidy Funding also include, but are not limited to, the following:</p> <ul style="list-style-type: none"> ■ Draws on subsidy funding prior to depletion of the construction loans ■ Reimbursement of interest or lost opportunity costs on developer's equity ■ Charges against unused subsidy after completion of the project cost audit.
CHOICE Subsidy Funding Retainage	<p>The Agency shall make no more than 85% of the CHOICE Subsidy Funding available. The remaining 15% of the subsidy shall serve as a project retainage to be made available by the Agency directly to the developer after all of the units are sold and the Agency receives and approves all required recorded documents for Emerging Market units, certificates of occupancy, closing statements, Energy Star certificates and other the final cost certification. The Agency may revise the amount of the project retainage to be released to the borrower if there are any warranted issues identified during review of the cost certification.</p> <p>The CHOICE subsidy funding for EMU units shall be reduced by the Agency if the market-priced units are sold for higher prices than are approved by the Participating Lender/Agency. The reduced amount shall be equal to the amount of the increased portion of the sales price for each applicable unit. The foregoing notwithstanding, market price increases cannot be made without the Agency's pre-approval.</p>
Disbursement of CHOICE Financing/Funding	<p>The Agency portion of the CHOICE Construction Loan and the CHOICE Subsidy Funding will remain with the Agency until requisitioned by the Participating Lender for disbursement in accordance with the requisition procedure outlined in the Intercreditor Agreement. Progress payments to contractors will be made for work in place which is inspected and approved by the Participating Lender or its designee and the Agency's Technical Inspector. The Participating Lender and the Agency's Technical Inspector will carefully monitor that the general contractor, all sub-contractors and any other relevant entities that are receiving any funds owed to them from prior draws, and lien waivers for all applicable subcontractors are required as part of each draw. All draws must be covered under an updated title rundown, showing no current liens or encumbrances. Draw requests will be submitted on an AIA G-702 and G-703 form that provides line item detail and be approved by the owners designee as well as conditional and undonditional lien waivers from subcontractors and material suppliers. Construction funds will be based</p>

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	<p>on a percentage of completion for a particular line item.</p> <p>The Agency reserves the right to randomly audit line item costs during construction to assure that the costs incurred are verifiable and that there is evidence that loan and subsidy proceeds have been correctly paid for requisitioned costs.</p> <p>Applicants are under a continuing affirmative obligation to advise the Agency of any changes to any aspect of the proposed development (e.g. changes to the construction schedule, general contractor, proposed sales prices, etc.) and provide relevant information as it becomes available. The Agency reserves the right to review the need for Choice funding at any time. Substantive changes may cause the project's award to be reconsidered/adjusted by the Agency. CHOICE subsidy shall be immediately due and payable to the Agency should it be determined that a unit has been oversubsidized.</p> <p>For construction draws, a construction loan retainage of 10% must be held against each draw. The Participating Lender and Agency may reduce the retainage during construction to 5% upon 60% completion of midrise projects that are more than six units. Remaining retainage will be released upon phase completion and the issuance of certificates of occupancy, except that the Participating Lender and Agency may retain funds to assure completion of punch list items.</p>
Eligible Applicants	<p>Eligible applicants are legally recognized for-profit developers and non-profit developers with demonstrated housing development capacity. Joint ventures involving legally recognized for-profit and nonprofit unrelated entities are also eligible applicants, but at least one of the major entities in the joint venture must demonstrate housing development experience/capacity. Demonstrated housing development capacity means actual development experience in projects of similar nature, size and financing complexities as the applicant's proposed project. CHOICE Program Guidelines applicable to nonprofit developers may be applicable to joint ventures if the nonprofit entity is to receive at least 20% of the developer fee/profit and provides a meaningful contribution to the project and can be expected to attain greater development capacity through the experience.</p> <p>The entity serving as the borrower for the CHOICE financing must be formed for the sole purpose of owning and operating the project and shall own no other assets unrelated to the project.</p> <p><u>Milestone Requirements:</u> For-profit developers or nonprofit developers with prior projects awarded Agency for-sale construction financing may apply for CHOICE 2015 financing provided these projects have met the following milestone requirements:</p> <ul style="list-style-type: none"> - if the financing closed more than 36 months ago, projects must be 100% complete and all units sold, with project cost audits and recorded documents that have been received by and are acceptable to Agency; - if the financing closed within the past 36 months, projects must be 80% complete and proceeding on schedule, with at least 100% of the completed units under contract of sale to purchasers with mortgage commitments (or for mid-rise multi-unit construction 80% construction completion, a certificate of occupancy for the building shell, and a verification from the participating lender that construction is proceeding on schedule), and a independent professional absorption schedule from the Participating Lender and Agency's Technical Inspector projecting that the project will be 100% under contract of sale to purchasers with mortgages by the time that construction is completed or within 3 months of project completion for mid-rise or other single CO type multi-unit construction; - if the financing closed within the past 24 months, projects must be 60% complete and proceeding on schedule, with at least 100% of the completed units under contract of sale to purchasers with mortgage commitments (or for mid-rise multi-unit construction 60% of individual units construction completion, and a certificate of occupancy for the building shell, and a verification from the Participating Lender and Agency's Technical Inspector that construction is proceeding on schedule), and a independent professional absorption schedule from the Participating Lender and Agency's Technical Inspector projecting that the project will be 100% under contract of sale to purchasers with mortgages by the time that construction is completed or within 3 months of project completion for mid-rise or other single CO type multi-unit construction;

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	<p>- if the financing closed in within the past 12 months, projects must be proceeding on construction schedule and the marketing plan must be in place, and a independent professional absorption schedule projecting that the project will be 100% under contract of sale to purchasers with mortgages by the time that construction is scheduled to be completed or within 3 months of project completion;</p> <p>- if the financing was committed but not yet closed, projects must have met conditions outlined per Agency Board approval;</p> <p>- no more than one project sponsored by the same principals may be submitted for approval for CHOICE 2015 funding, no more than two projects in total may be committed to the same principals, including principals affiliated with a joint venture or other applicants, if such principals have a financing commitment from 2011, 2012 or 2013 that has not yet closed, principals may have no more than a total of two incomplete projects from any CHOICE or prior funding round at any given time. Prior to submission, applicants must receive approval for an application waiver from the Agency's Executive Director if they have more than two active projects.</p>
Eligible Property Locations and Eligible Unit Types	<p>Projects may be eligible for the CHOICE program if located in the following areas:</p> <p>An Emerging Market municipality which is defined as:</p> <ul style="list-style-type: none"> • A municipality qualified by the Department of Community Affairs for Urban Aid funding, defined as a "qualifying municipality" pursuant to N.J.S.A. 52:27D-178; or • A municipality that contains an "Urban Target Area" under the 2000 and 2010 censuses, defined as a "qualified census tract" pursuant to 26 U.S.C. § 143(j)(2)(A). <p>All CHOICE developments must be developed in a Smart Growth area as designated by the New Jersey State Planning Commission, except as set forth below.</p> <p>If not located in an eligible municipality or smart growth area, a project may be eligible for the CHOICE program if it is located within the boundary of an area in need of redevelopment or area in need of rehabilitation within a municipally adopted Redevelopment Plan pursuant to N.J.S.A. 40A:12A-1 through 40A:12A-49.</p> <p>The foregoing notwithstanding, Emerging Market projects must be located in areas where new or gut rehabilitated homeownership units cannot be developed and sold under current local market conditions without a subsidy.</p> <p>Projects must establish a core presence of homeownership or must fill critical gaps necessary to stabilize an identifiable neighborhood or area. All projects must demonstrate significant neighborhood impact, i.e. infill units in developed areas, with approved redevelopment plans. Projects, in the Agency's determination and discretion, that will have limited discernible impact on their location in the neighborhood or because they are too defuse are not eligible.</p> <p>Eligible types of units that may be developed include newly constructed and/or gut rehabilitated one-family dwellings that are developed as fee simple units, condominium units or planned unit developments (PUDs). See presale requirements on page 12.</p> <p>One bedroom units are limited to 10% of project total. <i>A waiver may be requested if a viable market for one bedroom units can be demonstrated. (i.e. sales in a recent project within the area)</i> No studio units will be accepted.</p> <p>Eligible types of units that may be developed also include newly constructed and/or gut rehabilitated two-family dwellings (where one unit is owner-occupied and the other unit is rental) in Agency-designated Urban Target Areas.</p> <p>Scattered site projects will be considered where properties involved in the project are contained within an approximate 1/4 mile radius of the most central property. Projects must establish a core presence of homeownership or must fill critical gaps necessary to stabilize occupancy of an identifiable neighborhood or area. Projects, in the Agency's determination and discretion, that will have limited discernible impact</p>

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	<p>on their location in the neighborhood or because they are too defuse are not eligible. Agency staff shall also gauge the impact in a site visit. Project applications must demonstrate the neighborhood impact of the project through the submission of any governmentally-approved neighborhood plans for the area and/or any documentation required by the Agency.</p> <p>Projects must have a reasonable expectation of being eligible for end loan financing for unit purchasers. Reasonable expectation may be FHA or other high LTV mortgage insurer eligibility or a declaration of interest in providing end loans from a credible lender.</p> <p>Partially completed projects and projects with age-restricted units are not eligible for CHOICE 2015 financing.</p> <p>Commercial/retail/residential mixed-use properties are eligible at street level, if the host municipality requires such uses under its master-plan or other pre-existing ordinances, resolutions or codes.</p>
Eligible Project Size	<p>Projects shall contain at least ten (10) homeownership units. The Agency shall not waive this requirement unless a Participating Lender agrees to underwrite the project and charge no more than the fees permitted to be charged by Participating Lenders under the CHOICE Program.</p> <p>Each CHOICE application must be for a project that stands on its own when completed, has its own municipally-approved site plan and is not dependent in any legal and/or financial way upon the construction or rehabilitation of one or more additional forthcoming phases.</p>
Emerging Market Developments, Funding Provided, Maximum Subsidy Loan Amounts per Unit, Maximum Total Subsidy Amount per Project, Project Requirements, Deed Restriction	<p><u>Emerging Market Projects:</u></p> <p>These projects feature the development of homeownership units in Agency-identified markets that are not currently considered viable for construction of new or gut rehabilitated housing because the cost to build a unit is higher than the market price for which the unit can be sold.</p> <p>Emerging Market Units are not developed or restricted as affordable housing units under the New Jersey Fair Housing Act, N.J.S.A. (P.L. 1985, c.222), but rather upon sale or resale can be conveyed without regard to sales price or income of the buyer.</p> <p>Emerging Market Projects are eligible for:</p> <ul style="list-style-type: none"> ■ a CHOICE Construction Loan ■ CHOICE Subsidy Funding to provide "gap" funding needed per the Participating Lender/Agency-approved development budget. The total subsidy amount shall be no more than \$50,000 per unit for Emerging Market Unit. Note that the rental unit in any two-family homeownership dwelling is ineligible for subsidy. ■ The total subsidy amount for any one project may not exceed \$1,500,000. <p>Emerging Market Project requirements are as follows:</p> <ul style="list-style-type: none"> ■ Projects must document that the costs to develop all the units are higher than the prices at which the units can be sold. Documentation, at a minimum, shall consist of Participating Lender/Agency-approved appraisals/market analyses and real estate sales comparables and Participating Lender/Agency-approved development budgets. (Refer to Section XI of the application.) To guard against over subsidizing a project, proposed EMU sales prices that are less than 95% of comparable market sales prices shown in the independent appraisal must be justified. ■ Units will be sold at market prices approved by the Agency's Board and may not exceed the applicable maximum sales price limits of the 100% Financing Program. The Agency may approve subsequent increases in the EMU sales prices per terms and conditions approved by the Board as long as these new prices still do not exceed the maximum sales price limits of the 100% Financing Program. Buyers of these units may have unlimited household incomes, and the Agency will not impose affordability controls on these units. ■ The sale of each EMU shall be subject to a Shared Appreciation for 10 years. Under this restriction, at the time of an arms length sale, conveyance, or refinance of the EMU, and in an

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	<p>amount that shall not exceed that of the subsidy attributed to the unit, the buyer shall repay the Agency from Net Proceeds 100% of the net appreciation should the unit be sold/refinanced during the first 3 years, with a decrease of 12.5% each year thereafter. This lien shall not be subordinated unless there is an appraisal disclosing that there is adequate equity in the unit to repay the Shared Appreciation lien.</p> <ul style="list-style-type: none"> ■ Rental units in any two-family homes may be leased by the homebuyer to households of any income unless the units are subject to affordability controls imposed by another funder.
Municipal Resolution	<p>Applicants must provide evidence acceptable to the Agency documenting municipal support for the project and the CHOICE application. The resolution must adequately identify the site, total number of EMU units. At the time of application, developer must present at a minimum written confirmation that the project is viewed favorably and that a resolution memorializing its approval of the project, its location and the EMU unit mix, will be introduced for approval by the governing body of the municipality. A final resolution must be approved prior to loan closing.</p>
Site Control	<p>Site control by the applicant or borrower must be documented for project properties at the time of application and must show evidence that full title to all property involved in the project can be obtained by the CHOICE closing deadline.</p> <p>Where the property is being obtained in conjunction with a redevelopment agreement, a copy of an executed disposition and development agreement with a public agency with powers of eminent domain must be provided along with evidence of site control as indicated below for all properties.</p> <p>Site control must be evidenced by: fee simple title; option to purchase, including evidence that options are renewable subject to similar terms until the date of loan closing, or an executed land sales contract or other enforceable agreement for acquisition of the property. If any of the property (or properties) is to be transferred by the municipality to the applicant, a certified true copy of the authorizing ordinance/resolution for the transfer of the property must be submitted if the authorization has not already been included in the redevelopment agreement.</p>
Site Plan/Regulatory Approvals	<p>Evidence of preliminary site plan approval and all related reports is required at the time of application. The final site plan and final municipal approvals or planning board resolution must be submitted together with all other approvals including evidence of condominium document submittal from Department of Community Affairs, within 30 days of Agency's financing commitment. This will be a condition of the Board approved commitment. In the event this is not received, the commitment may be considered null and void. If preliminary and/or final site plan approval is not required by a municipality prior to the start of construction, a letter from the municipality explaining this must be provided and approved by the Participating Lender/Agency.</p> <p>It is the developer's responsibility to demonstrate that the project complies with all applicable local land use and zoning requirements. A list of all prior government and Agency approvals from the developers professional must be provided.</p>
Site Utilities	<p>The applicant must provide evidence that the site will be serviced by all required utilities, including but not limited to the sewer, electric, gas and water as may be provided for in the plans. Evidence of authorization to connect at the planned capacity levels shall be provided along with documentation of fees.</p>
Property Environmental Review	<p>At time of CHOICE application, a Phase I environmental assessment using ASTM standards regarding the project property is required, unless agreed to otherwise by the Participating Lender/Agency. The report must be provided by a firm acceptable to the Participating Lender. Additional assessments, such as a Phase II site investigation or NJ Department of Environmental Protection (DEP) environmental remediation measures, may also be warranted, particularly if recommended in the Phase I report. If remediation is necessary, the remediation plan must be cost estimated in detail and included in the total development cost budget. The Agency may request updated assessments at its discretion.</p> <p>Substantial rehabilitation projects not required by the Participating Lender/Agency to provide identification of a Phase I must, at a minimum, provide an environmental assessment report(s) prepared</p>

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	<p>by a third party professional(s) acceptable to the Agency/Participating Lender that addresses mold, pest inspection and underground storage tanks. Projects involving gut rehabilitations must, at a minimum, require that a third-party professional(s) acceptable to the Agency/Participating Lender confirm any existence and needed removal or remediation of lead based paint, asbestos or underground storage tanks in the project. If a Phase I is required for a clustered scattered site project, the 1 mile radius contamination report may be from a central address within the project rather than from multiple addresses.</p> <p>Applicant must certify that all necessary environmental approvals have been obtained and submit evidence of each approval.</p>												
Structural Integrity/Soils Test	<p>At time of application submission, projects that include the substantial rehabilitation of structures must supply a report from a structural engineer or the architect of record for the project acceptable to the Agency and Participating Lender, documenting the integrity of the structure. Post Agency commitment, a structural engineer and Agency's Technical Inspector will revisit the site.</p> <p>A geotechnical soils load-bearing capacity test will be required at time of submission for all projects involving new construction units. The test shall cover both the proposed project sites as well as the areas where utility lines and infrastructure for the project will be provided. If remediation is necessary, the remediation plan must be cost estimated in detail and included in the total development cost budget.</p>												
Unit Minimum Square Footage Requirements	<p><u>Unit Minimums:</u></p> <p>The minimum, useable, interior square footage requirements per unit are as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">MINIMUM INTERIOR UNIT SPACE REQUIREMENTS*</th></tr> <tr> <th><u>Unit Size</u></th><th><u>Minimum Square Footage</u></th></tr> </thead> <tbody> <tr> <td>1-Bedroom Unit</td><td>650</td></tr> <tr> <td>2-Bedroom Unit</td><td>850</td></tr> <tr> <td>3-Bedroom Unit</td><td>1,150</td></tr> <tr> <td>4-Bedroom Unit</td><td>1,250</td></tr> </tbody> </table> <p>Basements, garages, crawl spaces, attics or other unfinished space may not be used to calculate the minimum interior unit square footage requirement.</p> <p><u>Bedroom Minimums:</u></p> <p>For each unit (including rental units), one of the bedrooms must be at least 150 sq feet of clear, useable floor space, not including closets. Each additional bedroom must be at least 100 square feet.</p> <p>Units to be gut rehabilitated that cannot meet the above-listed requirements may seek an exception to them with backup documentation. This might include a municipal authority certifying that the municipality requires the use of the existing unit foundation footprint and/or shell; municipal set-back requirements that prevent expansion; historic requirements preventing unit expansion; and/or a certification from an architect or engineer detailing that such expansion would affect the financial feasibility of the project (or a certification from the contractor, but only in the event the municipality confirms in writing that architect and/or engineer plans are not required for project permits). All work must conform to the New Jersey Rehabilitation Subcode.</p> <p>Each bedroom must contain at least one closet.</p>	MINIMUM INTERIOR UNIT SPACE REQUIREMENTS*		<u>Unit Size</u>	<u>Minimum Square Footage</u>	1-Bedroom Unit	650	2-Bedroom Unit	850	3-Bedroom Unit	1,150	4-Bedroom Unit	1,250
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Unit Options	<p>At time of application developers planning to offer unit options must submit the list of options, including the cost to the developer and the cost to the homebuyer, to the Agency and to the Participating Lender for approval. In no event will the cost to the homebuyer exceed 20% over the actual cost to the developer.</p> <p>Developers will be permitted to offer options to buyers that will increase Agency-approved sales prices of</p>												

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	any units by up to 20% but shall not result in an increase of the approved developer fee.																		
Energy Star	Units must be Energy Star certified.																		
Developer and Development Team Capacity	<p>Developer's entity must have experience with both land development and construction of similar size and complexity. In addition to reviewing the developer's entity experience, the Participating Lender and the Agency will review the entire development team and/or other entities that have a role in project implementation, including but not limited to the builder, general contractor, project manager, modular company, marketing firm, counseling agency and consultant. The qualifications of all key participants will be examined.</p> <p>A developer wanting to act as the general contractor for the project must use or form a separate legal entity to serve as the general contractor; the contractor shall enter into a construction contract(s) with the developer and provide any other documentation the Agency requires. Anyone acting as the general contractor must provide evidence that they are able to obtain evidence of a 100% Payment & Performance Bond equal to the construction cost with a bonding company rated with an A.M. Best Rating of B+ or better. The developer must designate a person to be the liaison between the developer and the general contractor in order to maintain a single point of contact on a regular basis for the general contractor as well as the construction inspectors for the Participating Lender and the Agency.</p> <p>The Agency will review the ability of the developer to obtain credit based upon previous experience/projects completed. In determining capacity, the Agency will take into consideration past performance in Agency and NJ Department of Community Affairs (DCA) programs including, but not limited to, Balanced Housing, Agency Single & Multifamily programs, and state, county or municipal funded HOME programs. Failure to perform by any of the key participants in past contracts with the Agency or the DCA, including failure to pay fees to the Agency or the Agency's Housing Affordability Services or failure to repay loans from the Agency or the Department, may be grounds for disqualifying an application. The Agency will also consider the developer's past performance in federal, county and local government contracting.</p> <p>The Agency will also consider current or past loan or contract defaults and serious events of default attributable to the applicant or its principals or to any members of an applicant's development team to be material to the Agency's determination of capacity to effectively perform under the loan and construction agreements and of the applicant's overall creditworthiness. The Agency will require personal guarantees from the developer, in the amount of the construction loans. The Agency will also require a not to exceed contract price, between the developer and the general contractor in a form acceptable to the Agency, signed by both parties.</p>																		
Developer Fee/Profit	<p>The developer fee/profit will be capped for all subsidized Emerging Market units on a per unit basis contingent upon the number of bedrooms:</p> <table><tr><th colspan="3">MAXIMUM PER-SUBSIDIZED-UNIT DEVELOPER FEE/PROFIT SCHEDULE</th></tr><tr><th>UNIT SIZE</th><th>HOME OWNERSHIP</th><th>RENTAL</th></tr><tr><td>1 Bedroom</td><td>\$16,000</td><td>\$ 8,000</td></tr><tr><td>2 Bedrooms</td><td>\$18,000</td><td>\$10,600</td></tr><tr><td>3 Bedrooms</td><td>\$20,000</td><td>\$13,400</td></tr><tr><td>4 + Bedrooms</td><td>\$22,000</td><td>\$15,200</td></tr></table> <p>The minimum developer fee/profit will be the lesser of 5% of the total development cost (excluding the developer fee/profit) or the appropriate per unit maximum fees as outlined in the above schedule. Project consultant fees are to be paid out of the developer fee/profit, which is paid per a schedule approved by the Participating Lender/Agency.</p> <p>The developer fee/profit is not a guaranteed amount. This can be affected by a change in the budget or the</p>	MAXIMUM PER-SUBSIDIZED-UNIT DEVELOPER FEE/PROFIT SCHEDULE			UNIT SIZE	HOME OWNERSHIP	RENTAL	1 Bedroom	\$16,000	\$ 8,000	2 Bedrooms	\$18,000	\$10,600	3 Bedrooms	\$20,000	\$13,400	4 + Bedrooms	\$22,000	\$15,200
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Contractor Fee	<p>The contractor's fee shall be based on a percentage of the construction cost as such:</p> <table border="1"> <thead> <tr> <th align="center" colspan="2">MAXIMUM CONTRACTOR FEE SCHEDULE</th></tr> <tr> <th align="center">TOTAL CONSTRUCTION COST</th><th align="center">MAXIMUM FEE</th></tr> </thead> <tbody> <tr> <td align="center">Under \$2 million</td><td align="center">10%</td></tr> <tr> <td align="center">Under \$3 million</td><td align="center">9.5%</td></tr> <tr> <td align="center">Under \$4 million</td><td align="center">9.0%</td></tr> <tr> <td align="center">Under \$5 million</td><td align="center">8.5%</td></tr> <tr> <td align="center">Under \$6 million</td><td align="center">8.2%</td></tr> <tr> <td align="center">Under \$7 million</td><td align="center">7.9%</td></tr> <tr> <td align="center">Under \$8 million</td><td align="center">7.6%</td></tr> <tr> <td align="center">Under \$9 million</td><td align="center">7.3%</td></tr> <tr> <td align="center">Under \$10 million</td><td align="center">7.0%</td></tr> <tr> <td align="center">Over \$10 million</td><td align="center">6.7%</td></tr> </tbody> </table> <p><i>If the total construction amount falls between two bracketed amounts, the maximum fee percentage shall be prorated. The maximum fee percentage is absolute and not graduated or inclusive of aggregated maximum fee percentages for dollar amounts expended. Contractor's fee (and architect's fee) for projects utilizing modular construction is expected to be based on actual scope of work to be performed, not on construction cost. Justification acceptable to the Participating Lender and the Agency must be given if these costs exceed fees customary for modular construction projects.</i></p>	MAXIMUM CONTRACTOR FEE SCHEDULE		TOTAL CONSTRUCTION COST	MAXIMUM FEE	Under \$2 million	10%	Under \$3 million	9.5%	Under \$4 million	9.0%	Under \$5 million	8.5%	Under \$6 million	8.2%	Under \$7 million	7.9%	Under \$8 million	7.6%	Under \$9 million	7.3%	Under \$10 million	7.0%	Over \$10 million	6.7%
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Maximum Developer/Contractor Fee, for Related Parties	If the developer and the contractor are related parties, the maximum combined developer and contractor fees shall not exceed the lesser of: the total amounts permitted by the above limitations OR 20% of the total development budget (excluding the developer fee/profit). If any part of the development entity is providing additional services to the project, compensation for these costs must be paid from the developer fee/profit.																								
Hard and Soft Contingency Budgets	A construction contingency is required as part of the development budget for at least 5% of the total hard construction costs for new construction units and at least 10% of the total hard construction costs for rehabilitation units. A soft cost contingency is required as part of the development budget in the amount of 2% of the total soft costs (including professional fees and carrying costs), unless special circumstance acceptable to the Agency are shown to exist.																								
Budget Submissions, Maximum per Unit Total Development Cost and Maximum per Unit Residential Structures Sq. Ft. Costs	<p>The application should include complete financing and budget information (refer to Section X of the CHOICE 2015 Application). The application must include an engineer's cost estimate for site work per approved site plans and architect or engineer's cost estimate of the total construction cost by square footage or per unit cost. Before closing on the CHOICE loans, all line items must be evidenced by contracts or binding proposals.</p> <p>The Development Budget's "Total Development Cost" shall not exceed \$275,000 per unit (not including hard/soft cost contingency) unless there are extenuating circumstances. The Development Budget includes costs for "Building and Property Acquisition", "Construction", "Contractor Fee", "Hard Cost Contingency", "Professional Services", "Carrying and Financing Costs", "Soft Costs and Contingency" and the "Developer's Fee".</p> <p>Additionally, the budgeted per square foot cost for "Residential Structures" should not exceed \$ 130 per sq. ft., (\$150 per sq. ft. if on-site and off-site infrastructure are included) for construction projects.</p> <p>Soft costs directly related to the project will be permitted as a budgeted line item provided they are</p>																								

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	acceptable to the Agency and were incurred within one year of the application submission date.
Developer Equity	<p>All developers must contribute a minimum of 10% equity to the project, and equity shall be the first money spent on or credited to the project before any release of construction loan proceeds and subsidy funding. The total development cost for each project or each specified phase of a project, less the developer fee/profit, shall be used to determine the minimum equity requirement.</p> <p>Acceptable equity sources include:</p> <ul style="list-style-type: none"> ■ Approved pre-development costs shown in the development budget which are documented as already paid for by the applicant and that will not be reimbursed from any CHOICE financing/funding. Eligible pre-development costs for purposes of calculating the equity include: developer funded site acquisition (Participating Lender/Agency-approved as-is value of property), survey, environmental studies, architect, Participating Lender/Agency required appraisal, legal and engineering fees. Proof of payment is required at time of application for all claimed equity. Other equity-qualifying costs will be considered on a project basis. All third party fees must be reasonable for the scope and cost of the project. ■ For-profit developers may use various sources for developer's equity, including borrowed funds, but may not charge interest to the development budget related to their equity and may not secure any lien on the project to secure equity or borrowing to cover equity. ■ Other approved non-CHOICE sources of funding that are allowed to be used as equity, do not require developer repayment from the project budget, are confirmed as available by the Participating Lender, and to the Agency's satisfaction, and are used to pay towards specific line items in the development budget. This will first be used to pay preconstruction costs, i.e. professional fees, licensing, government approval fees, etc. ■ Cash to pay towards specific line items in the development budget. Evidence of availability of cash must be confirmed as available by the Participating Lender to the Agency's satisfaction. <p>For nonprofit developers (and joint ventures that include a non-profit as described under Eligible Applicant above), the approved developer fee/profit may be credited as the source of required equity.</p>
Market Study	An Agency ordered market study is required for all multi-story buildings to ensure an adequate budget is created for the project. This must be paid for by the Developer prior to or at time of application.
Pre-closing Construction	<p>Project construction is prohibited from commencing prior to the closing of CHOICE financing/funding.</p> <p>Any work commenced or completed without Agency and Participating Lender pre-approval will not be funded and may result in a termination of the CHOICE financing commitment.</p>
Construction Change Orders	All change orders must be pre-approved by the Participating Lender and the Agency and be consistent with the standards and procedures established by the Participating Lender and the Agency. The Participating Lender and the Agency have the authority to deny change orders and to reserve sufficient funds and/or require the developer to deliver sufficient funds to complete construction of the project.
Market Valuation and as-is Valuation Appraisals	<p>As an Agency condition of CHOICE financing/funding, an independent market valuation appraisal and an as-is valuation appraisal, which conform to the Uniform Standards of Professional Appraisal Practice (USPAP), meets Participating Lender standards, if applicable, and addresses comparable unit sales prices and absorption rates, shall be ordered by the Agency and/or Participating Lender, and paid for by the Developer, to determine project valuation and marketability of the project units. Such appraisals must be reviewed/approved by the Agency and Participating Lender, if applicable, prior to closing.</p> <p>The "as-is" valuation should not take into consideration the effect that potential CHOICE or other project subsidies may have on the use of the property. If the analysis is more than 6 months old from the planned financing closing date, the Agency may request an update of this supply and demand analysis for purposes of confirming viable unit sales prices.</p> <p>For project property owned for 5 years or less, the Agency will recognize the lesser of the appraised value or the purchase price of the realty and any buildings and improvements thereon involving the most recent arm's length transaction as provided by a "Delineation of Title" history (completed by the appraiser or a title agency) identifying each party associated with the conveyance. The total purchase price may</p>

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	<p>include documented carrying costs, expenditures to obtain zoning, environmental or other governmental approvals necessary or useful for the development of the project. For project property owned for more than 5 years, the appraised value alone may be recognized.</p> <p>NOTE: Arms Length Transaction is defined as: A transaction negotiated by unrelated parties, each acting in their own self interest in arriving at a basis for a fair market value determination.</p>
Model Units	<p>The construction of a limited number of model units will be a permitted use of the CHOICE Construction Loan. The Participating Lender and the Agency must determine the number of presales and model units and that the marketing of the project will be enhanced by the construction of models and warrant that sufficient security is in place to protect the investment. The development of speculative units will not be permitted as part of this unless the developer can demonstrate to the Participating Lender's and the Agency's satisfaction the marketability of the units.</p>
Pre-Sales	<p>The Participating Lender and the Agency may require an acceptable level of pre-sales for each project or phase in accordance with their normal standards. The Participating Lender must consult with the Agency to establish a measurable level of pre-sales and ensure that the established pre-sale requirement is met prior to requesting Agency construction loan funds or CHOICE Subsidy funds. The Participating Lender and Agency's analysis may be based on a market study, absorption analysis or other sales and neighborhood data acceptable to the Participating Lender and Agency.</p> <p>Developers of multi-level condominium buildings will be required to demonstrate a certain number of presales, as determined by the Agency and the Participating Lender, prior to any draws on the construction loan. The determination as to the number of presales will be on a case by case basis. Draws on subsidy will be provided after the construction loans are depleted. Documentation needed to meet the pre-sale condition must include valid sales contracts and purchaser pre-qualifications for the purchase money mortgages.</p>
Unit Sales Proceeds	<p>Unless determined otherwise by the Participating Lender/Agency, all unit sales proceeds shall be used for the following purposes in this order:</p> <ul style="list-style-type: none"> • to pay off any unpaid portion of the CHOICE construction loans, • to pay off any unpaid portion of other construction financing provided by non-CHOICE sources, as required, • to cover any other non-developer fee/profit costs required by the Participating Lender/Agency, • to pay the developer fee/profit <p>These conditions and any other conditions for the use of sales proceeds should be set forth in the Participating Lender's commitment and approved by the Agency.</p>
Unit Sale Lien Waivers	<p>In order to receive a fully-executed lien release from the Agency for its applicable CHOICE first and second mortgages on a completed unit that is to be sold, the borrower must provide to the Agency for its review and approval in advance of the unit closing: (1) a copy of the fully-executed contract of sale and all addendums, (2) a copy of the fully-executed Certificate of Occupancy, (3) a copy of the Energy Star completion certificate, (4) a draft copy of the unexecuted documents prepared for shared equity restrictions for an EMU, if applicable, and (5) a statement from the lender for the release amount.</p> <p>Upon sale of the unit, the borrower must provide to the Agency for its review and approval after closing: (1) the original Recapture Mortgage Note, and a copy of the executed Recapture Mortgage and Declaration of Covenants, (2) evidence that payment was made directly to the Participating Lender for the release amount of the home, (3) a copy of the executed HUD-1 Settlement Statement, and (4) a Partial Release of Mortgage prepared by the borrower's attorney and sent to the Agency for execution by the Director or Assistant Director of Single Family Programs.</p>
Modular Units	<p>Payment for the delivery of modular units will be in accordance with the Agency and Participating Lender's standard disbursement policy. If a disbursement of funds is made when the modular unit is delivered, the Participating Lender's and the Agency's representatives must be on site to approve the unit and confirm its compliance with the plans and specifications. Appropriate advance notice to the Agency</p>

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	<p>of a scheduled delivery is required. The Agency may require factory site visits by Single Family's Technical Inspector during manufacturing of the units.</p> <p>Deposits, or downpayments, on modular units must be paid by the developer and will be reimbursed from the construction loan once the unit is permanently attached to the foundation and the Participating Lender's and the Agency's inspections are completed.</p>
Title Insurance	<p>Title Insurance naming the Agency and the Participating Lender as insured parties on all mortgaged property is required from a N.J. authorized title insurance company acceptable to the Agency and Participating Lender, insuring that the lien of the mortgage is a first mortgage lien; free and clear of all encumbrances (except usual encumbrances such as utility easements). The Agency or Participating Lender will specify the form of the title insurance at the time of loan commitment. The Agency requires title policy coverage for the full amounts of the CHOICE Construction Loan and the CHOICE Subsidy Funding and any other Agency financing. If the loan is revolving or being paid down during construction, the amount of coverage must be in at least the amount of the highest anticipated outstanding principal loan balance. CHOICE subsidy coverage must also be at least in the amount of the highest anticipated outstanding subsidy balance, recognizing any scheduled reduction of the subsidy caused by the release of the corresponding mortgage upon sale of units to homeowners. The title policy must permit amendment to increase coverage if the outstanding balances exceed projections.</p> <p>The Agency or Participating Lender must verify by title run-down that the mortgage is in a first lien position, free and clear of all liens and encumbrances, prior to each draw. Conditional and unconditional Lien waivers in the form provided by the Agency (see Attachment #4) should be obtained from all contractors and sub-contractors for each draw.</p>
Insurance	<p>The Participating Lender and the Agency must be listed as the First Loss Payee or equivalent status on all insurance policies which cover the project site, equipment, materials and construction completion.</p>
Survey	<p>All project developers must submit a completed ALTA SCMA Urban Class Survey at time of application. Survey must include all easements and/or right-of-way. The Surveyor must sign and seal the survey. The survey must be certified to the owner, Title Company, Participating Lender and the Agency.</p>
Project Completion Guarantee	<p>The Agency or Participating Lenders will be required to ensure that each project has the appropriate safeguards to ensure project completion. Participating Lenders and/or the Agency's discretion may require recourse, performance bond, letter of credit, additional equity, or other forms of guaranty as may be reasonable. Personal and/or corporate recourse may be required, at the Agency or Participating Lender's sole discretion, from for-profit developers, limited equity corporations and joint development teams. Non-profit developers will not be subject to personal recourse.</p> <p>Any guarantees required shall also apply to the benefit of the Agency (see the Intercreditor Agreement for further explanation).</p>
Project Cost Certification and Interim Line Item Audit	<p>At project completion, the Developer shall provide a final Project Cost Certification of the total development costs prepared by a Certified Public Accountant in a format acceptable to the Agency. A copy of such will be delivered to the Agency within three months of the project's completion. If the cost audit is not submitted within three months, the developer must provide a letter from a Certified Public Accountant explaining the reason for the delay and when the audit will be submitted to the Agency. If this explanation is found acceptable, the Agency shall grant up to no more than three additional months for the audit's submission. If the Agency does not receive the audit within this approved extended time period, any remaining undisbursed CHOICE subsidy shall not be released and shall remain permanently with the Agency.</p> <p>Any expenditures in the submitted cost audit that are in excess of those documented and/or approved by the Agency will be considered ineligible. Funds remaining with the Participating Lender and the Agency, as well as any sales proceeds in excess of the construction loan balance, will be used to offset ineligible expenses.</p> <p>In advance of the Project Cost Certification, the Borrower must affirm in writing that all project funding</p>

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	<p>is complete and that no additional draws will be submitted, except for any withheld subsidy retainage contingent on the completion of the Project Cost Certification.</p> <p>At any time prior to project completion the Agency may randomly audit or cause to be audited any line item or items for which payment has been requested. Such audit may include review of costs submitted including all backup for all materials and labor and interviews and certifications with and from subcontractors.</p>
<p>Project Selection Criteria and Agency Rights and Reservations</p>	<p>CHOICE construction loan and subsidy funding commitments will be made by the HMFA Board on a first come first served basis. Only project applications that are complete and in conformity with these Guidelines will be recommended to the HMFA Board for a funding commitment. Funding availability will terminate at the earlier of when the funds are all committed or when the Agency declares the 2015 funding round ended.</p> <p>The Agency staff will make best efforts to review the application and issue a cure letter within 30 calendar days. All required items in the cure letter must be sent in as a single submission, <u>not piecemeal</u>. The developer will have 45 calendar days, from the date of the cure letter to submit the items. (If responses to the cure letter raise other questions, the developer will be given an additional 10 day s to satisfy the cure.) If all items are not submitted within the 45 days, the application will be returned to the developer, any developer wishing to continue with the application, must resubmit a completed application with the appropriate application fee.</p> <p>The Agency reserves the right, at its sole discretion, to determine eligible amounts and use of the CHOICE Construction Loan, the CHOICE Subsidy Funding and any Agency end loan financing. In the event an applicant is awarded less than the requested financing/funding amounts, it may be necessary for the applicant to modify the project plans and budget accordingly. In addition, the Agency reserves the right to reject any and all submissions.</p>

ATTACHMENTS

- H-1** CHOICE Municipalities
- H-2** Income Limits
- H-3** Guide to Commitment Letters
- H-4** Conditional and Unconditional Lien Waivers
- H-5** Participating Lender Information
- H-6** Project Cost Certification

H-1 CHOICE Municipalities

CHOICE 2015 "Emerging Market" Municipalities

Municipality	County	ALL PROJECTS MUST BE LOCATED IN A SMART GROWTH AREA WITHIN A CHOICE 2015 MUNICIPALITY
Asbury Park*	Monmouth	
Atlantic City*	Atlantic	
Bayonne*	Hudson	
Belleville Twp.	Essex	
Berkeley Twp. *	Ocean	
Bloomfield Twp.	Essex	Eligible municipalities include the following:
Brick Twp.	Ocean	
Bridgeton City*	Cumberland	Urban Aid Municipalities from 1988 forward Urban Target Areas
Burlington City	Burlington	
Camden City*	Camden	* Municipalities Contain Urban Target Area Single Family Construction Loan Program Projects Qualifying under New Jersey's Local Redevelopment and Housing Law N.J.S.A. 40A: 12A-1 Through 40A: 12A-49.
Carteret Boro	Middlesex	
Clifton City*	Passaic	
Commercial Twp. *	Cumberland	
Downe Twp.	Cumberland	
E. Orange City*	Essex	
Edison*	Middlesex	
Elizabeth City*	Union	
Freehold Borough*	Monmouth	
Garfield City*	Bergen	
Glassboro Boro	Gloucester	
Gloucester City	Camden	
Gloucester Twp.	Camden	
Guttenberg City*	Hudson	
Hackensack City*	Bergen	
Hamilton*	Atlantic	
Harrison*	Hudson	
Hillside Twp.	Union	
Hoboken City*	Hudson	
Irvington Twp.*	Essex	
Jersey City*	Hudson	
Kearny Town*	Hudson	
Lakewood Twp.*	Ocean	
Lindenwold Boro.*	Camden	
Lodi Borough	Bergen	
Long Branch City*	Monmouth	
Lower Twp.	Cape May	
Manchester Twp. *	Ocean	
Maple Shade*	Burlington	
Middle*	Cape May	
Millville City*	Cumberland	
Monroe Twp.	Gloucester	
Montclair Twp.*	Essex	
Morristown*	Morris	
Mount Holly Twp.*	Burlington	
Neptune City	Monmouth	
Neptune Twp.*	Monmouth	
New Brunswick City*	Middlesex	
Newark City*	Essex	
North Bergen Twp.	Hudson	
North Hanover*	Burlington	
Old Bridge Twp.*	Middlesex	
Orange City Twp.*	Essex	
Passaic City*	Passaic	
Paterson City*	Passaic	
Pemberton Twp.	Burlington	
Penns Grove Boro.*	Salem	
Pennsauken Twp.*	Camden	
Perth Amboy City*	Middlesex	
Phillipsburg Town*	Warren	
Plainfield City*	Union	
Pleasantville City	Atlantic	
Rahway City	Union	
Red Bank*	Monmouth	
Roselle Boro.	Union	
Salem City*	Salem	
Somers Point*	Atlantic	
Southampton*	Burlington	
Toms River Twp.	Ocean	
Trenton City*	Mercer	
Union City*	Hudson	
Victory Gardens*	Morris	
Vineland City*	Cumberland	
Weehawken Twp.	Hudson	
West Orange*	Essex	
West New York Twn*	Hudson	
West Wildwood	Cape May	
Wildwood City	Cape May	
Willingboro	Burlington	
Winslow Twp.	Camden	
Woodbine*	Cape May	
Woodbridge Twp.*	Middlesex	
Woodbury City	Gloucester	

H-2 Income Limits

Choices in Home Ownership (CHOICE 2015)

(Based on Council On Affordable Housing "COAH" 2014 Regional Income Limits)

County	Income	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Region 1: Bergen, Hudson Passaic & Sussex	Median (100%)	63,317	75,980	87,799	97,930
Region 2: Essex, Morris Union & Warren	Median (100%)	67,961	81,553	94,239	105,113
Region 3: Hunterdon, Middlesex & Somerset	Median (100%)	78,750	94,500	109,200	121,800
Region 4: Mercer, Monmouth & Ocean	Median (100%)	69,461	83,353	96,319	107,432
Region 5: Burlington, Camden & Gloucester	Median (100%)	61,125	73,350	84,760	94,540
Region 6: Atlantic, Cape May Cumberland & Salem	Median (100%)	54,734	65,681	75,898	84,656

H-3 Guide to Commitment Letters

GUIDE TO COMMITMENT LETTERS
(See Section X of the Application)

PRIVATE COMMITMENTS

A firm commitment letter from a funding source must include the following items:

- A statement that funds have been approved by individuals or committees empowered to make the commitment and that sets forth any conditions to be met.
- The dollar amount;
- The term in years;
- The interest rate;
- The repayment schedule;
- Specific collateral or security;
- Length of commitment; and,

Specific conditions attendant to the funds including, but not limited to, any conditions precedent and effective on title, leinhold priority, or resale/rental controls must be included.

PUBLIC COMMITMENTS

Public commitment letters must include:

- Resolution that indicates the grant or loan has been approved by the governing body, housing authority or agency empowered to issue the grant or loan.
- A dollar amount for each year of commitment
- Conditions attendant to the grant or loan

If a loan:

- Term
- Interest rate
- Collateral or security pledged
- Length of time commitment is available

H-4 Conditional and Unconditional Lien Waivers

SUB-CONTRACTOR CONDITIONAL AFFIDAVIT

AND WAIVER OF LIEN-ACKNOWLEDGMENT OF PARTIAL PAYMENT

_____ being Sub-Contractor having a contract with _____
(General Contractor) has performed work and/or furnished Materials, Equipment and/or Machinery for the
_____ during the period from _____ to _____ its job address being _____

*Upon receipt by the undersigned of a check from _____, totaling \$ _____ releases and all mechanic's lien, material
supplier's lien, stop notice or other claims of the undersigned to the project referenced above and payment has been
made in full for the performance of the contract.*

*Sub-Contractors: Each and every sub-contractor who performed work for this contractor on the project listed below and
payments have been made in full for the following amounts*

<i>Name of Company</i>	<i>Address</i>	<i>Description of Work</i>	<i>Amount</i>
------------------------	----------------	----------------------------	---------------

*Materials: Each and every material supplier who delivered materials, equipment and/or machinery to the site or
fabricated materials especially for the Project, of a value in EXCESS of \$1,000.00 is listed below and has been paid in full
for the following:*

<i>Name of Company</i>	<i>Address</i>	<i>Description of Work</i>	<i>Amount</i>
------------------------	----------------	----------------------------	---------------

A Partial Unconditional Waiver of Lien/Acknowledgement payment for each of the above named is attached hereto.

_____ (Sub-Contractor) hereby waives all rights to liens and claims against the
General Contractor to the amount of payment received for his performance of his Contract and further states that no
other person has any right to a lien or claim against the General Contractor on account of work performed or for
material supplied during the period.

_____ being the _____ Managing Member _____ (Sub-
Contractor) hereby acknowledges the foregoing in full and certifies this to be a true and accurate statement.

Signature (Officer of Company)

State of _____

County of _____

Subscribed and sworn to before me this _____ day of _____ 20____.

Notary Public: _____ Seal

SUB-CONTRACTOR UNCONDITIONAL AFFIDAVIT

AND WAIVER OF LIEN-ACKNOWLEDGMENT OF PARTIAL PAYMENT

_____ being Sub-Contractor having a contract with _____
_____ (General Contractor) has performed work and/or furnished Materials, Equipment and/or
Machinery for the _____ Project during the period from _____ to _____ its job
address being at _____

Upon receipt by the undersigned of a check from _____ totaling
_____ releases and all mechanic's lien, material supplier's lien, stop notice or other claims of the
undersigned to the project referenced above and payment has been made in full for prepayments off

Per Contract Dated March 1st, 2012

Sub-Contractors: Each and every sub-contractor who performed work for this contractor on the project listed below and
payments have been made in full for the following amounts

<u>Name of Company</u>	<u>Address</u>	<u>Description of Work</u>	<u>Amount</u>
------------------------	----------------	----------------------------	---------------

Materials: Each and every material supplier who delivered materials, equipment and/or machinery to the site or
fabricated materials especially for the Project, of a value in EXCESS of \$1,000.00 is listed below and has been paid in full
for the following:

<u>Name of Company</u>	<u>Address</u>	<u>Description of Work</u>	<u>Amount</u>
------------------------	----------------	----------------------------	---------------

_____ Sub-Contractor) hereby waives all rights to liens and claims
against the General Contractor to the amount of payment received for his performance of his Contract and further
states that no other person has any right to a lien or claim against the General Contractor on account of work performed
or for material supplied during the period.

_____ being an authorized Employee of Your Way Construction Inc, (Subcontractor)
hereby acknowledges the foregoing in full and certifies this to be a true and accurate statement.

Signature (Officer of Company)

State of _____

County of _____

Subscribed and sworn to before me this _____ day of _____ 20____.

Notary Public: _____ Seal

H-5 Participating Lender Information

Participating Lender Information

For each CHOICE project, the Agency typically provides 50% of the approved construction loan required to complete the project with the balance of the loan provided by the applicant's chosen private construction lender (herein after "Participating Lender"). The Participating Lender must be approved by the Agency and be able to sign the Intercreditor Agreement. The Participating Lender must be independent of the developer. Applicants should be aware that it is their sole responsibility to obtain a lending commitment from a Participating Lender and that the Agency makes no representation that any lender, be it a Agency approved Participating Lender or otherwise, will make a commitment to the applicant or sign the Intercreditor Agreement.

Please have your lender contact a member of the CHOICE staff to complete the lender Certification upon reviewing the terms of the Intercreditor Agreement.

H-6 Project Cost Certification

PROJECT COST CERTIFICATION		Project Name: _____	
		Developer Name: _____	
DEVELOPMENT BUDGET	Closing Budget	Actual Costs	
BUILDING & PROPERTY ACQUISITION			
Land	_____	_____	
Building	_____	_____	
Relocation	_____	_____	
Other: _____	_____	_____	
	0	0	
CONSTRUCTION			
Environmental Clearances	_____	_____	
Demolition for Environmental Clearances	_____	_____	
Off-Site Improvements	_____	_____	
On-Site Improvements	_____	_____	
Residential Structures	_____	_____	
Other: _____	_____	_____	
Other: _____	_____	_____	
	0	0	
CONTRACTOR FEE (O&P)	0	0	
CONSTRUCTION FEES			
Building Permits	_____	_____	
Surety & Bonding	_____	_____	
Electric Connection Fees	_____	_____	
Gas Connection Fees	_____	_____	
Water Connection Fees	_____	_____	
Sewer Connection Fees	_____	_____	
Other: _____	_____	_____	
	0	0	
PROFESSIONAL SERVICES			
Appraiser	_____	_____	
Architect (if combined w/engineer separate)	_____	_____	
Civil Engineer (if combined w/architect separate)	_____	_____	
Attorney	_____	_____	
Cost Certification/Audit	_____	_____	
Environmental Consultant	_____	_____	
Historical Consultant	_____	_____	
Professional Planner	_____	_____	
Soil Investigation	_____	_____	
Surveyor	_____	_____	
Marketing/Advertising	_____	_____	
HAS Fees of \$500 / Subsidized affordable unit	_____	_____	
Other: _____	_____	_____	
Other: _____	_____	_____	
	0	0	
CARRYING AND FINANCING COSTS			
Inspections	_____	_____	
Interest Costs	_____	_____	
Points & Bank Fees	_____	_____	
Property Insurance	_____	_____	
Real Estate Taxes	_____	_____	
Title Insurance & Recording	_____	_____	
Other: _____	_____	_____	
Other: _____	_____	_____	
	0	0	
Construction Cost Subtotal	\$0	\$0	
DEVELOPER/SPONSOR FEE	\$0	\$0	
UNIT SALES COMMISSION	\$0	\$0	
TOTAL DEVELOPMENT COST	\$0	\$0	
Construction Cost Subtotal	\$0	\$0	
HARD COSTS CONTINGENCY	0	0	
SOFT COSTS CONTINGENCY	0	0	
CONSTRUCTION FINANCING TOTAL	\$0	\$0	
PERMANENT FINANCING SOURCES			
Sales	_____	_____	
CHOICE Subsidy(100%)	_____	_____	
Other Funding	_____	_____	
Other Funding	_____	_____	
TOTAL SOURCES:	\$ -	\$ -	



CHOICE 2015
CHOICES IN HOMEOWNERSHIP

CHOICE PROGRAM APPLICATION PACKAGE

SINGLE FAMILY CONSTRUCTION LOANS

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

CHRIS CHRISTIE, GOVERNOR, STATE OF NEW JERSEY
KIM GUADAGNO, LIEUTENANT GOVERNOR, STATE OF NEW JERSEY
CHARLES A. RICHMAN, ACTING COMMISSIONER, DEPARTMENT OF COMMUNITY AFFAIRS
ANTHONY L. MARCHETTA, EXECUTIVE DIRECTOR, NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

CHOICE 2015 PROGRAM

APPLICATION INSTRUCTIONS

The Agency welcomes your Choices in Homeownership (“CHOICE”) project proposal. The CHOICE program has been significantly revised, as have these instructions. The application is designed to ensure submission quality and uniformity with a simplified format. Please read the application and 2015 CHOICE Guidelines carefully and feel free to contact the CHOICE staff at the Agency if you have any questions.

The appropriate application fee must be included with your submission. One original application must be sent to the Agency and one copy needs to be sent to the Participating Lender. As part of your application, the Participating Lender will need to provide a term sheet within 30 days of commitment for financing, with the sole condition being Agency’s financing commitment. Applications without a Participating Lender’s Term Sheet will not be considered complete.

The application should be concise and complete. Applications that are missing substantial amounts of information will not be reviewed until supplemented. Applications cannot be approved until complete. Overly expansive public relations type brochures about the developer or members of the development team are unnecessary.

Provided in this package are tabbed dividers for each section of the application. Each divider contains a documents checklist of items that are required in that particular section. In addition, a section summary and other informational items are located in the appropriate section. It is mandatory that these dividers and application materials are incorporated in your CHOICE application and that the application is organized (stacked) as indicated on each divider. If documentation is provided that is not listed on the documents checklist, please identify this additional information on the divider. Place a mark in each box on each divider to alert the application reviewer as to what has been provided.

Please see the next two pages for application preparation tips and the application review process.

It is recommended that the application assembler perform the following steps:

- Read the CHOICE Program Guidelines and Application Instructions thoroughly. All requirements listed in these guidelines and application package *must* be complete for CHOICE review. **It is the applicant's responsibility to provide the required information. Agency staff cannot independently provide application documentation.**
- A Sponsor information session will be held at HMFA. Please check our website or call for the session date. You can register for the information session online at: <http://www.state.nj.us/dca/hmfa/> or call Anthony Kasperek at (609) 278-8829 to confirm attendance in advance. The information session is not mandatory but is recommended.
- **In order to submit an application in CHOICE, the developer/sponsor must meet with staff to review their application, prior to the submission.** If you have individual questions, feel free to call one of the contact people listed below.
- Complete the application in its entirety. If a section, question, or required submission does not apply to your project, you must indicate "not applicable" and provide back-up documentation to substantiate. **If any of the application submissions are unresponsive, unclear, incomplete, or missing, the application review cannot proceed until the items are submitted or corrected.**
- Organize the application as indicated on each divider. If additional information is provided, it should be *clearly* identified on the divider and in the upper right side of the exhibit.
- Application materials are to be clear and of reproducible quality. Information is to be placed on 8.5" x 11" paper, with the exception of two full sets of the Preliminary or Final Site Plans which must be full size plans, a minimum of 24" x 36". The application is to be bound in an appropriately sized (usually at least four inches) three-ring style binder that allows for ease in paging and insertion of additional information. In addition, please provide two CD-ROM disc or USB flash drive copies of the application. All exhibits must be identified in the upper right side of each. Please do not place materials into individual plastic sleeves with the exception of the site plans.
- **Include the non-refundable CHOICE Application Fee made payable to the NJ Housing and Mortgage Finance Agency.**

The following fee schedule applies:

Non-profit sponsors/developers-	\$2,000.00
For-profit sponsors/developers-	\$4,000.00

- Send applications to New Jersey Housing and Mortgage Finance Agency:

Mailing Address

P.O. Box 18550
Trenton, New Jersey 08650-2085
ATTN: CHOICE Supervisor

FED EX UPS.

637 South Clinton Avenue
Trenton, New Jersey 08611
ATTN: CHOICE Supervisor

The CHOICE 2015 Application Review, Approval and Post-Commitment Process:

- CHOICE information session - date and time will be posted on the Agency's website. This is optional, but attendance is recommended.

The Agency shall begin accepting and reviewing CHOICE 2015 applications after the project review meeting with the developer and CHOICE staff. CHOICE construction loan and subsidy funding commitments will be made by the HMFA Board on a first come first served basis.

As part of the fairness of allocation, generally, no more than two (2) applications per municipality will be approved for 2015 CHOICE awards. However, depending upon such things the size of approved projects, availability of remaining funds and the length of time unused funding has been available, exceptions may be made.

- Award Selection from among Simultaneously Completed Applications:

Applications will be recommended for funding commitments on a first come first served basis in the order that they are deemed complete by the Agency staff. The Agency recognizes that the requests for 2015 CHOICE subsidy funding may exceed the total 2015 subsidy funding that is being made available. If the completed but unapproved applications exceed the total available 2015 CHOICE subsidy, there will be a random selection(s) made by the Agency to determine which completed applications will be recommended for awards. Application will be deemed to have been completed simultaneously if deemed by the Agency staff to be completed within seven (7) calendar days of the date of the first completed application and there are no allocation fairness issues to consider. The Agency staff makes no representations that it will notify applicants of the approval status of any application that has not been approved by the Agency Board. The Agency will randomly select the completed application(s) for recommendation for award by assigning numbers to each application and using the HAS random selection calculator or some other verifiable random selection program to make the selection.

The applicant's chosen Participating Lender (note that it is the applicant's responsibility to select a Participating Lender and secure a commitment) and the Agency shall simultaneously review the CHOICE application. The Agency shall ensure that the application meets all CHOICE Program Guidelines and that all application instructions and requirements are met. The Participating Lender shall assist the Agency in determining the development team's capacity and shall help analyze real estate sales comparables for the proposed project units, underwrite the project and provide to the sponsor a commitment for financing, with the sole condition being Agency's financing commitment for the project.

- If there are deficiencies in the application, the Agency shall notify the applicant and send a cure letter that includes a list of those deficiencies (needed documents, missing signatures, etc.) to the applicant.
- If and when all the information in the application is acceptable, and availability of funds, the Agency shall formally seek approval from the Agency Board of Directors for a commitment for project financing (construction loan, subsidy, if any, and an end loans set-aside).
- After the Agency's Board of Directors has formally committed the Agency financing, the Participating Lender and Agency shall then prepare for closing. Projects receiving Agency commitments must close within 180 days after the Agency's commitment takes effect.

- After the closing takes place on all Agency and Participating Lender financing, the Participating Lender shall oversee construction period servicing and disburse the CHOICE construction loan and subsidy funds (except for the required subsidy retainage, which will be disbursed by the Agency directly to the Sponsor upon receipt of certificates of occupancy for each unit, evidence of any required unit deed restrictions and approval by the Agency of an independent project cost certification).
- Partially completed projects and age-restricted projects are ineligible for CHOICE 2015 subsidy funding.
- The Agency reserves the right to reject any and all submissions. Funding of any application is always subject to the availability of funds.

CONTACT INFORMATION

If you have questions regarding the 2015 CHOICE Program Guidelines, please contact one of the following:

Joyce Earley (609) 278-7550
Supervisor of SF Construction Loan Programs
JEarley@njhmfa.state.nj.us

Anthony Kasperek (609) 278-8829
Construction Loan Officer
AKasperek@njhmfa.state.nj.us

Questions on the 100% Financing Program may be directed to:

Jim Franks (609) 278-7556
Loan Originator
JFranks@njhmfa.state.nj.us

Written inquiries may be sent to:

CHOICE@njhmfa.state.nj.us or

New Jersey Housing & Mortgage Finance Agency
Post Office Box 18550
Trenton, New Jersey 08650-2085
Attention: Director, Single Family Division

Fax # (609) 278-1720

CHOICE APPLICATION INDEX

(Items in bold are provided in the application materials)

SECTION I	CHOICE Application:	<ul style="list-style-type: none">a. CHOICE Certificateb. Two CD-ROM Discs or USB flash drive copiesc. APPLICATION SUMMARYd. Project Narrativee. Redevelopment Planf. Site Evaluation Report
SECTION II	Municipal Resolution:	<ul style="list-style-type: none">a. Written confirmation regarding resolution
SECTION III	Site Control Documentation:	<ul style="list-style-type: none">a. SITE CONTROL SUMMARYb. Evidence of Site Controlc. Deeds
SECTION IV	Project/Site Information:	<ul style="list-style-type: none">a. PROJECT/SITE SUMMARYb. Site location map & directionsc. Tax map
SECTION V	Evidence of Municipal Approvals:	<ul style="list-style-type: none">a. MUNICIPAL APPROVALS SUMMARYb. Site Plan Resolutionc. Site Plans (full set w/seal)d. Subdivision approvale. Zoning approvalf. Utility service letters
SECTION VI	Environmental / Other Approvals:	<ul style="list-style-type: none">a. ENVIRONMENTAL / OTHER APPROVALS SUMMARYb. Local historic approvalsc. Phase I Environmental Report w/cost estimated. Phase II Environmental Reporte. Gut rehab environmental assessment reportf. Lead paint remediation review (rehab)g. Detailed cost estimateh. ISRA, Pinelands or Meadowlands Commissions, CAFRA, and SHPO approvals
SECTION VII	Unit Information:	<ul style="list-style-type: none">a. Preliminary Architectural plans/drawingsb. Documentation for waiver of unit minimum square footagec. Rehab units – report from structural engineer/architect of recordd. Elevationse. Geotechnical soils load-bearing capacity testf. Construction timetableg. Unit Optionsh. Energy Star Letter
SECTION VIII	Sponsor Information:	<ul style="list-style-type: none">a. SPONSOR INFORMATION SUMMARYb. Joint Venture Agreementc. Formation Certificated. Certificate of Good Standinge. Company Questionnairef. Personal Questionnaireg. Resumesh. 3 years audited financial statementsi. Year to date Profit and Lossj. Prior experiencek. Prior developmentsl. List of current or past loan or contract defaultsm. Milestones

SECTION IX

Key Development Team Members:

- a. Formation Certificates
- b. Certificate of Good Standing
- c. Company Questionnaire
- d. Personal Questionnaire
- e. Resumes
- f. Evidence of registration w/ Consumer Affairs
- g. Proof of registration w/ Community Affairs

SECTION X

Financing Information:

- a. **DEVELOPMENT BUDGET**
- b. **RESIDENTIAL STRUCTURE COST ANALYSIS**
- c. Engineer's Cost Estimate of Site Work
- d. Architect's or Engineer's Cost Estimate of total construction
- e. **SOURCES OF FUNDS**
- f. **RANGE OF AFFORDABILITY WORKSHEET**
- g. Lender references
- h. Lender letter for projects less than ten units
- i. Participating Lender Term Sheet
- j. Proof of equity
- k. Letters of commitment for other funding sources
- l. Tax abatement verification

SECTION XI

**Market Information and
Real Estate Sales Comparables:**

- a. **MARKET INFORMATION SHEET**
 - 1. Photos
 - 2. Comparables
 - 3. Map
- b. Market Study

SECTION XII

Preliminary or Final Site Plans

CHOICE application fee must be included with all submissions.

For-profit developers - \$4,000

Non-profit developers - \$2,000

SECTION I

CHOICE Application Project Summary - typed. Only include items indicated on this checklist for Section I. Be sure to complete all questions.

- ☐ CHOICE Certificate
- ☐ Completed APPLICATION SUMMARY (provided)
- ☐ Supply an overall Project Narrative (maximum 3 pages)
 - Briefly describe the project. Include whether it is new construction or rehab. Indicate if it is single family, two-family, condo or townhouse. Provide a visual description of the project. Include the total number of units, type of buildings (condo, townhouse, single family, etc.), number of buildings, number of floors in each building, number of units in each building (include the number of bedrooms and baths), (design layout: stand alone, attached-condo/townhouse style, stacked condo, condo midrise, semi-attached, etc.) and any amenities (garage, parking lot, elevator, gym, community room, etc.). Also include anything in the surrounding area that may be of importance (railroad tracks, environmental site, factory, etc.).
 - Name the developer/Sponsor and clearly identify the entity that will be the borrower of CHOICE financing. How was the company/corporation/LLC, etc. formed? What experience do you have in developing?
 - Explain the acquisition of land. What type of contract? Who is the current owner? Who is the seller? Who is the purchaser? What is the purchase price? What is the appraised value (if known)? Indicate if this is an arm's length or related party transaction.
 - Provide a detailed neighborhood description. Include characteristics about the neighborhood, information on employment opportunities, population characteristics, housing conditions, community groups, and proximity to, and availability of, schools, transportation, shopping, hospitals and other community services. Describe housing and development activities that are currently in process and those undertaken over the past five years. Has the new housing been affordable or market? What impact was made on the neighborhood? If no development has taken place, what are the impediments? What can be done to enhance opportunities for mixed income home ownership projects? List any special neighborhood designations *that the project is located in*. Examples include UEZ AREA, UCC, Empowerment Zone, or any specific redevelopment area or municipal targeted area. List out development accomplishments from such designations. Is it located in a smart growth area or UCC? Is there a redevelopment plan? Summarize what impact, if any, this project will have on the neighborhood. For example, will it stabilize the neighborhood, complete, maintain, or begin a revitalization plan, address the remaining vacant structures, lure private investment, or stimulate property values?
- ☐ Redevelopment Plan – Include if project is located in a legally-designated Redevelopment Area.
- ☐ Site Evaluation Report – The Site Evaluator is an interactive mapping tool that features refined geo-coding capabilities, enhanced program eligibility information, and census information. It will also generate a printable report. To prepare the report go to: http://njgin.state.nj.us/OIT_BusinessMap/index.jsp . Insert the project address on the left under “find a location.” To the right of the map, under “Location Info” go to “Printable Report” and print “Generate HMFA Report.” This report must be included in your application.

CHOICE 2015

(Developers must submit this in SECTION I of the CHOICE Application)

I _____ have simultaneously sent an exact copy of this application to _____.
(Print name of Developer) (Participating Lender)

(Developer's signature)

APPLICATION SUMMARY

NAME OF PROJECT _____

NAME OF BORROWING ENTITY ("SPONSOR") _____

MUNICIPALITY/COUNTY _____

New Construction _____

Gut Rehabilitation _____

Project Type: Contiguous _____

Scattered Site (within ¼ mile radius) _____

Legal Unit Type: _____
(Single Family Fee Simple, Two-Family Fee Simple,
Condo, etc.)

Type of Construction: _____
(Rehab, Modular, Stick, Panelized)

UNIT BREAKDOWN:

Homeownership

Rental

(Indicate number of units,
if doing 2-family units)

Emerging Market Unit _____

TOTAL _____

Total w/rental _____

Are any units getting COAH credit: Yes ___ No ___ If so, how many _____

Total subsidy allowed per project is \$1,500,000

Number of Units	Affordability Level	Average Eligibility Per Unit	Request Per Unit	Subsidy Request
	Emerging Market Unit (EMU)	\$50,000		
	Total Subsidy Request			

TOTAL SUBSIDY REQUEST (cannot exceed \$1,500,000)

\$ _____

CONSTRUCTION LOAN REQUEST (total loan amount)

\$ _____

(Note: ½ will be provided by Agency and ½ by the Participating Lender)

SECTION II

Written confirmation regarding the Municipal Resolution: Written confirmation from the municipality that the project is viewed favorably and that a resolution memorializing its approval of the project, its location and the number of Emerging Market units, will be introduced for approval by the governing body of the municipality.

SAMPLE RESOLUTION (Provided)

The actual Municipal Resolution with original signatures or certified as a true copy must be provided before closing. A Sample Resolution may be found in this section. The CHOICE Program language and information in the Sample Resolution must substantially remain in the resolution that is approved by the municipality.

Resolutions must authorize the submission of the application to the Agency for CHOICE Subsidy; support the development of the project as proposed in the application; and acknowledge that the processing and expenditure of funds shall be in accordance with the terms of CHOICE program and the 2015 CHOICE Program Guidelines.

CHOICE Program

****Please be advised, the Resolution's scope of the project MUST match the scope of the proposed project. Contradicting information will result in your project being disqualified.**

SAMPLE RESOLUTION

(To apply for and accept CHOICE Subsidy)

WHEREAS, the _____ (Municipality) _____ desires to approve the development of _____ (#) _____ Emerging Market units of housing for the development known as _____ (Project) _____ to be funded under New Jersey Housing and Mortgage Finance Agency's ("the Agency") Choices in Homeownership ("CHOICE") program; and

WHEREAS, the CHOICE Subsidy will, when applicable, benefit home buyers of the market priced units that will be restricted by the Agency using the CHOICE program Emerging Markets Units restrictions, with subsidy funds as the buyers may be required to repay, being repaid solely to the Agency at the first sale; and

WHEREAS, the _____ (Municipality) _____ recognizes _____ as the developer/sponsor of the development; and

BE IT THEREFORE RESOLVED, that the _____ (Municipality) _____ does hereby support the developer/sponsor's application for such financing and subsidy from the Agency and acknowledges that the processing and expenditure of funds shall be in accordance with the terms of the CHOICE program.

BE IT FURTHER RESOLVED that the _____ (Municipality) _____ does hereby commit to this project _____ (specify nature and amount of municipal contribution to project, if applicable) _____.

BE IT FURTHER RESOLVED that the persons whose names, titles and signatures appear below are authorized by the _____ (Municipality) _____ to implement this Resolution and that they or their successors in said titles are authorized to sign any documents necessary in connection therewith:

SIGNED _____ SIGNED _____

Title

Title

I, _____
_____ of _____ hereby certify that a meeting of the
_____ held on _____ that the above resolution was duly adopted.

Date

SEAL OR NOTARY

Actual expenditure of funds may require a budget amendment as per the Local Budget Law (Chapter 159 Procedure).

SECTION III

Site Control Summary and Documentation: Site control *must* be clearly demonstrated. Municipal resolutions or agreements of any format conveying the site(s) must demonstrate that the party conveying such property has ownership control with Deeds, etc. All conditions on any agreements with third party requirements must be fully satisfied and documented. Agreements must be fully executed and show time lines or expiration dates that make sense with the project start date listed in the application.

- ☐ SITE CONTROL SUMMARY (provided)
- ☐ Evidence of Site Control -
(Provide appropriate documentation to account for each property listed in Section IV on the Project Site Summary; see CHOICE 2015 Program Guidelines (page 7) for required site control documentation)

For any and all property involved in the project, provide original signature or certified true copy of all documents.

- ☐ Fee simple title/deed - if property is owned by the Sponsor
- ☐ Option to purchase (including evidence options are renewable subject to similar terms until the start of construction)
- ☐ Land sales contract

Where the property is being obtained in conjunction with a redevelopment agreement, a copy of an executed disposition and development agreement with a public agency with powers of eminent domain must be provided along with evidence of site control as indicated above for all properties.

(If any of the property (s) is to be transferred by the municipality to the applicant, a certified true copy of the authorizing ordinance/resolution for the transfer of the property (s) must be submitted if the authorization has not already been included in the redevelopment agreement.)

- ☐ (For any properties not now owned by the applicant and provided above as site control): Deed identifying the current owner, certified by the County Clerk as a true copy. All deeds must be included if the property is not owned by the Sponsor.
- ☐ Other Documentation Provided for Section III:

(Developers must submit this in SECTION III of the CHOICE Application)

SITE CONTROL SUMMARY: Indicate type of site control:

Fee simple title/deed Yes ___ No ___ (Needed if property is owned by the developer)

Name on title/deed _____

Address _____ Block _____ Lot _____

Option to purchase or Land Sales Contract Yes ___ No ___

Names on Option/Contract _____

Address _____ Block _____ Lot _____

Redevelopment Agreement Yes ___ No ___ (Include supporting resolution or ordinance)

Names on Agreement _____

Address _____ Block _____ Lot _____

Disposition and Development Agreement Yes ___ No ___

Names on Disposition/Dev. Agreement _____

Address _____ Block _____ Lot _____

Ordinance or Resolution Yes ___ No ___ (Needed if property is transferred by Municipality)

Address _____ Block _____ Lot _____

Other Form of Site Control Yes ___ No ___ Indicate what type _____

Name _____

Address _____ Block _____ Lot _____

Are there liens or other encumbrances on any of the properties above? Yes ___ No ___

Address _____ Block _____ Lot _____

List Details _____

Are there deed restrictions on any of the properties above? Yes ___ No ___

Address _____ Block _____ Lot _____

List Details _____

SECTION IV

Project/Site Summary and Information: Materials for this section must be clear and provide an effective but concise response. If other documentation is provided for this section, provide this information on this divider and place the information in the order listed.

Scattered sites projects must be contained within an approximate 1/4 mile radius of the most central site (subject to Agency staff site visit to determine potential impact of project).

- ☐ PROJECT/SITE SUMMARY (provided)
- ☐ Clear site location map and directions to the site.
- ☐ Tax Map indicating the blocks/lots involved.
- ☐ Other Documentation Provided for Section IV:

PROJECT/SITE SUMMARY

[illegible]

SECTION V

Municipal Approvals Summary and Evidence of Municipal and State Approvals: The Agency will only consider projects demonstrating that major approvals are in place. If any of the approvals listed are not required, evidence from an appropriate municipal authority must be presented (e.g.- President or Attorney for the Planning Board, Municipal Engineer, etc.). The following are required to be documented:

- ☐ MUNICIPAL APPROVALS SUMMARY (provided)
- ☐ Site Plan Resolution (Preliminary or Final) Include all references and attachments w/resolution.
- ☐ Site Plan (Preliminary or Final). Full set of plans with seal. Place the preliminary or final site plan in SECTION XII of the application (if not required, letter from municipal official certifying such).
- ☐ Subdivision approval - evidence of date of approval (if not required, letter from municipal official certifying such). Include all references and attachments w/resolution.
- ☐ Zoning approval – evidence of date of approval (if not required, letter from appropriate municipal official certifying such). Include all references and attachments w/resolution.
- ☐ Confirmation of Availability of Utility Services (electric, gas, water, sewer) (Letters should be within at least 6 months of anticipated Agency commitment)
 - ☐ Letter from Electric Utility Company
 - ☐ Letter from Gas Utility Company
 - ☐ Letter from Water Utility Company
 - ☐ Letter from Sewer Utility Company
 - ☐ Documentation of Municipal Water and Sewer connection fees.
 - ☐ Letter from Other: _____
 - ☐ Resolution from Municipal/County Authority, if applicable
 - ☐ NJ DEP Treatment Works Approval (Sewer), if applicable

If any other key approvals are in place for SECTION V, provide such below and behind the order of documents in this section.

(Developers must submit this in SECTION V of the CHOICE Application)

MUNICIPAL APPROVALS SUMMARY:

Are any of the following required, being considered, or granted? If any approvals are not-applicable, provide a letter of non-applicability from an appropriate municipal authority.

	<u>HEARING DATE</u>	<u>RESULT</u>	<u>MUNICIPAL CONTACT</u>
Zoning Variance	_____	_____	Name _____ Phone # _____ E-mail _____
Parking Variance	_____	_____	Name _____ Phone # _____ E-mail _____
Subdivision Approval	_____	_____	Name _____ Phone # _____ E-mail _____
Site Plan Approval	_____	_____	Name _____ Phone # _____ E-mail _____

PLANS: Preliminary or Final Site Plans are required submissions.

Status of Site Plans _____

Status of Architectural Plans _____

SECTION VI

Environmental / Other Approvals Summary: Complete the Summary sheet that is provided. Items in this section must be addressed. If a particular approval in this section is not required, a non-applicability letter from the appropriate authority or municipal official must be provided.

- ☐ ENVIRONMENTAL / OTHER APPROVALS SUMMARY (provided)
- ☐ Local historic approvals or evidence of future meeting dates for the approval or a letter of non-applicability certifying that site is not subject to historic review.
- ☐ Phase I Environmental Preliminary Assessment Report (pursuant to N.J.A.C. 7:26E-3.2) (for new construction projects only) If a Phase I is required for a clustered scattered site project, the 1 mile radius contamination report may be from a central address within the project rather than from multiple addresses. Attach the report and a detailed cost estimate to complete the remedial work, if necessary.
Suggestion: Participating Lender must approve environmental vendors.
- ☐ Phase II Environmental Report (pursuant to N.J.A.C. 7:26E-3.3), (if required by Phase I report) (for new construction projects only)
- ☐ Gut rehabilitation projects not required by the Participating Lender/Agency to provide a Phase I must, at a minimum, provide an environmental assessment report(s) prepared by a third-party professional(s) acceptable to the Agency/Participating Lender that addresses mold, pest inspection and asbestos removal, remediation of lead-based paint and identification of and, if identified, removal of underground storage tanks. A letter of “no further action” from DEP may be required.
- ☐ Lead paint remediation review (for rehab projects only)
- ☐ Attach detailed cost estimate to complete remedial work, if necessary. Indicate if costs are included in the project development budget (which they should be).
- ☐ ISRA, Pinelands or Meadowlands Commission, CAFRA, and SHPO approvals or evidence from appropriate authorities that such approvals are not required for this project. Information from the website is acceptable.

Industrial Site Recovery Act (ISRA)

Website is no longer available. Provide a letter from an engineering firm or a law firm

New Jersey Pinelands Commission

<http://www.nj.gov/pinelands/>

New Jersey Meadowlands Commission

<http://www.njmeadowlands.gov>

Division of Land Use Regulation

The Coastal Area Facility Review Act (CAFRA)

<http://www.nj.gov/dep/landuse/index.html>

State Historic Preservation Office (SHPO)

<http://www.nj.gov/dep/hpo/>

If any other key approvals are in place for section VI, provide such below and behind the order of documents in this section:

(Developers must submit this in SECTION VI of the CHOICE Application)

ENVIRONMENTAL / OTHER APPROVALS SUMMARY

ENVIRONMENTAL REQUIREMENTS:

What was the prior use of the site?

Has an environmental investigation been performed?

Is asbestos removal required?

Is lead paint removal required?

Has the soil been tested for contaminants and passed?

Have radon tests been performed and passed?

Does your site contain underground storage tanks?

Do you have the DEP hazardous waste site identification (1 mi. radius)?

OTHER REQUIREMENTS: A letter from an appropriate authority or information from the website must be provided for all the items listed below, even if they are non-applicable.

	<u>Application Date</u>	<u>Approval Date</u>
Historic Approvals (Fed, State, or Municipal)	<hr/>	<hr/>
ISRA	<hr/>	<hr/>
Pinelands or Meadowlands Commission	<hr/>	<hr/>
CAFRA	<hr/>	<hr/>
SHPO	<hr/>	<hr/>
Other	<hr/>	<hr/>

SECTION VII

Unit Information: Provide the information below with clear, understandable copies. Refer to page 8 of the 2015 CHOICE Program Guidelines, “Unit Minimum Square Footage Requirements” for Minimum Square Footage Requirements and the Unit Design Parameters.

- ☐ Preliminary Architectural plans/drawings. Unit design with square footage for new or rehab units (certified by the project architect, shop drawings for modular units, or other appropriate professional). Reminder: One bedroom must be at least 150 square feet and all other bedrooms must be at least 100 square feet.
- ☐ Documentation for waiver if needed of CHOICE unit minimum square footage requirements for rehabilitated units only.
- ☐ Projects that include rehabilitation units must supply a report, from a structural engineer or the architect of record for the project acceptable to the Agency and Participating Lender, documenting the integrity of the structure.
- ☐ Elevations for each unit type with construction materials and unit amenities/features specified, certified by the project engineer, architect or modular unit shop drawings.
- ☐ Geotechnical soils load-bearing capacity test (only for new construction)
- ☐ CONSTRUCTION TIMETABLE for the construction of each unit type and, if applicable, details of phased development plans. (Provided)
- ☐ UNIT OPTIONS (if being offered) (Provided) include a list of options including the cost to the developer and the cost to the homebuyer. Cost to the homeowner cannot exceed 20% over the actual cost to the developer. (Cost shall not result in an increase of the approved developer fee.)
- ☐ Completed and Signed ‘ENERGY STAR Letter of Intent’ (Provided)

For NEW CONSTRUCTION or GUT REHAB:

- ☐ Completed and Signed ‘ENERGY STAR Partnership Agreement’, available online through www.energystar.gov . (Will be required prior to commitment)

For GUT REHAB:

- ☐ Results of a completed Home Energy Audit by a BPI-certified auditor. (Will be required prior to commitment)
- ☐ Contractor’s Cost Estimate to complete the recommendations of the audit. (Will be required prior to commitment) Must be included in the Section X budgeted costs.
- ☐ Other Documentation Provided for Section VII:

Construction Timetable

Number of weeks

- Within how many weeks after approval do you anticipate closing on the construction loan? _____
- Within how many weeks after closing do you anticipate starting construction? _____
- Within how many weeks after the start of construction will you begin marketing? _____
- Within how many weeks after the start of construction will the first unit be completed? _____
- Within how many weeks after the first unit is completed will it close? _____
- Within how many weeks/months will the total construction of all units be completed? _____

OPTIONS

ATTACH INVOICES/PROPOSALS FROM SUPPLIERS FOR ALL OPTIONS

[illegible]



**New Jersey Housing and Mortgage Finance Agency
2015 ENERGY STAR LETTER OF INTENT:**

By signing this document, I certify the following ("we" refers to the applicant organization):

1. We understand that ENERGY STAR certification (or equivalent) is a prerequisite to participation in the Home Express / Green Future / Low-Income Housing Tax Credit / CHOICE (circle applicable) program(s), we agree to complete the ENERGY STAR certification process (or equivalent), and will comply with the submission requirements listed in the NJHMFA ENERGY STAR requirements document.
2. We understand that no projects are exempt from this requirement and have reviewed the alternative programs (if needed) for compliance - as indicated in the NJHMFA ENERGY STAR requirements document.
3. If requested we will allow the NJHMFA Green Homes Office, or designee, access to the project site pre, during and post construction for the purpose of but not limited to confirming ENERGY STAR compliance.
4. I am an authorized representative of the organization.

Signature: _____ Date: _____

Name of signer: _____

Title: _____

Project Name: _____

Organization: _____

NJHMFA ENERGY STAR Requirement Program most likely to participate in:

SECTION VIII

Sponsor Information Summary and Materials: If this is a joint-venture proposal, the information below is required for *each* entity. On a newly formed subsidiary such as an L.L.C. where documentation is not yet available, document the information listed below on the holding or parent entity(s) and principals.

- ☐ SPONSOR/BORROWER INFORMATION SUMMARY (provided). Sponsor/Borrower must be formed for the sole purpose of owning and operating this project and shall own no other assets unrelated to the project.

Joint Ventures must provide all the required information below for both parties.

- ☐ Joint Venture Agreement – The Agreement must include the percentage of developer fee that each party will receive. (CHOICE Program Guidelines applicable to non-profit sponsors may be applicable to joint ventures if the non-profit entity is to receive at least 20% of the Developer Fee and provides a meaningful contribution to the project) *Refer to Eligible Applicant on page 4 of the 2015 CHOICE Program Guidelines.*
- ☐ Formation Certificates for Sponsor/Borrower and the Managing Entity, as applicable
 - ☐ if Sponsor/Borrower is a Limited Partnership, certificates are needed for:
 - ☐ Sponsor/Borrower
 - ☐ General Partner or Managing General Partner (Name all parties)
 - ☐ if Sponsor/Borrower is a Limited Liability Company, certificates are needed for:
 - ☐ Sponsor/Borrower
 - ☐ Managing Member (name all parties)
 - ☐ if a Corporation, including nonprofit corporations, provide the following:
 - ☐ Certificate of Incorporation
 - ☐ Filed Articles of Incorporation
 - ☐ Current Approved Bylaws
 - ☐ (if nonprofit): IRS 501(c)(3) Tax Exempt letter
- ☐ For the Sponsoring Entity/Borrower: Certificate of Good Standing from the State of New Jersey (good within 6 months of CHOICE application date)

*Sponsors (non-profit and for-profit) must complete the Agency's Certification and Questionnaire forms, both Company and Personal, provided with the application. The Personal Questionnaire must be completed by all principals, as well as any partner or shareholder with more than a 10% interest in the company or project. Non-profit corporations are required to submit the Certifications and Questionnaires for all Board Officers and key project personnel only. The project's Attorney, Participating Lender and Marketing Agent are **not required** to submit these forms. Applications for program assistance will not be processed unless properly completed and fully executed notarized **original** forms are submitted.*

Any individual required to submit a Personal Questionnaire must also complete an "Authorization and Release to Obtain Information" form that a criminal history background investigation can be conducted when requested by the Agency (only if funds are awarded). The Agency will not permit a project closing and funds will not be released until the Criminal History Record is complete and reviewed by the Agency and, if required, the Attorney General's Office.

(Continued)

SECTION VIII - Continued

- ☐ COMPANY QUESTIONNAIRE* Must be complete, executed and notarized (Provided)
 - ☐ Sponsoring Entity/Borrower
 - ☐ Any and every entity owning 10% or greater interest in the Sponsoring Entity/Borrower
 - ☐ General Partner or Managing General Partner (if LP)
 - ☐ Managing Member (if LLC)
- ☐ PERSONAL QUESTIONNAIRE* Must be complete, executed and notarized (Provided)
 - ☐ Sponsoring Entity/Borrower's Directors and Officers
 - ☐ Every individual owning 10% or greater interest in the Sponsoring Entity/Borrower
 - ☐ Every individual serving as a General Partner or Managing General Partner (if LP)
 - ☐ Every individual serving as a Managing Member (if LLC)
 - ☐ Every individual Officer of the Board of Directors (if a corporation, including nonprofits)
- ☐ Resumes and/or Bios of the Sponsoring Entity/Borrower
 - ☐ Sponsoring Entity/Borrower resume/bio
 - ☐ For-profits only: Entities/Individuals owning 10% or greater interest in company
 - ☐ Corporations only: Provide list of all members of the Board of Directors and their affiliations and provide resumes and/or bios of Officers of the Board of Directors
- ☐ Most recent three (3) years audited financial statements. New companies that have been in business for less than 3 years should provide 3 years personal tax returns.
- ☐ Year to date profit and loss.
- ☐ List any prior experience with New Jersey Housing and Mortgage Finance Agency or New Jersey Department of Community Affairs
- ☐ List of prior developments with locations and unit-mix information.
- ☐ List of current or past loan or contract defaults and serious events of default attributable to the Sponsor or its principals or to any member of the Sponsor's team.
- ☐ If applicable, evidence of meeting prior CHOICE project milestones. *(See Eligible Applicant on page 4 of the 2015 CHOICE Program Guidelines for more details)*

(Developers must submit this in SECTION VIII of the CHOICE Application)

SPONSOR/BORROWING ENTITY INFORMATION SUMMARY

Please identify any designated developer(s) and other members of the development team who will be involved with the project. If more than one firm or individual is being identified please indicate the portion or phase of the project for which they will be responsible.

*NAME OF FIRM _____
ADDRESS _____
CITY _____
STATE _____ ZIP CODE _____
*CONTACT _____ TITLE _____
TELEPHONE _____ FAX _____
EMAIL _____
TYPE OF ORGANIZATION: Non-profit _____ For-profit _____
Joint-venture _____ Name of Partner in Joint-venture _____
Contact _____
Address _____
Phone _____ Email _____

List officers, directors, partners and any persons having a 10% or greater interest in the company.

<u>*NAME</u>	<u>ADDRESS</u>
_____	_____
_____	_____
_____	_____

Is there an identity of interest between the contractor and the developer or sponsor? _____

Lead Lender:

Name _____
Contact _____
Address _____

Phone _____
Email _____

Attorney:

Name _____
Contact _____
Address _____

Phone _____
Email _____

OTHER MEMBERS OF THE DEVELOPMENT TEAM:

Development Coordinator/ Liaison:

Name _____
Contact _____
Address _____

Phone _____
Email _____

Project Manager:

Name _____
Contact _____
Address _____

Phone _____
Email _____

***Architect:**

Name _____
Contact _____
Address _____

Phone _____
Email _____

Consultant:

Name _____
Contact _____
Address _____

Phone _____
Email _____

Other:

Name _____
Contact _____
Address _____

Phone _____
Email _____

***General Contractor:**

Name _____
Contact _____
Address _____

Phone _____
Email _____

***Modular Company:**

Name _____
Contact _____
Address _____

Phone _____
Email _____

***Engineer:**

Name _____
Contact _____
Address _____

Phone _____
Email _____

Marketing Agent:

Name _____
Contact _____
Address _____

Phone _____
Email _____

Other:

Name _____
Contact _____
Address _____

Phone _____
Email _____

***Must provide Certifications and Questionnaires in Section VIII & IX for everyone listed above except the Attorney, Participating Lender, Development Coordinator/Liaison, Project Manager, Consultant and Marketing Agent.**

(Sponsors/Development Team must submit this in SECTION VIII and SECTION IX of the Application)

Project Name _____
CHOICE Subsidy _____

COMPANY QUESTIONNAIRE

HMFA# _____
Project Name _____
Date _____
Type of Service _____

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
CERTIFICATION AND QUESTIONNAIRE**

**(Corporation, LLC, Partnership, Sole Proprietorship)
(Circle one)**

State of Incorporation/State of Partnership Formation:

This information is necessary to obtain the approval of the New Jersey Housing and Mortgage Finance Agency and it will be expressly relied upon. Complete each item using, "NONE" or "NOT APPLICABLE" where necessary. If more space is needed to answer any specific item, use a separate sheet.

A. Applicant (use official names without abbreviations)

Name _____ Street _____
City _____ County _____ State _____ Zip Code _____
Tel # _____ Employer's I.D. # _____

B. Please describe the type of services to be provided to the project and the amount and method of compensation:

C. Is the Applicant a subsidiary or direct or indirect affiliate of any other organization? If so, indicate name of related organization and relationship.

(Sponsors/Development Team must submit this in SECTION VIII and SECTION IX of the Application)

Project Name _____
CHOICE Subsidy

- D. Management: List all owners, officers, directors, partners of applicant and any stockholders having 10% interest or more in applicant. If the applicant is a publicly held corporation, please provide the latest proxy statement indicating stock ownership. Complete all columns for each such person showing the percentage of ownership interest. (Use additional sheet if necessary.)

Name	Home Address	Birthdate	Place of Birth	Social Security #	Office Held	Ownership Interest
------	--------------	-----------	----------------	-------------------	-------------	--------------------

- E. For all individuals named in Item D list all other companies, partnerships, or associations in which such persons have more than 10% interest or in which such person is an officer, director or partner. Complete all columns for each such person showing the percentage of ownership interest. (Use additional sheet if necessary.)

Name	Company	Partnership	Association	Office Held	Ownership Interest
------	---------	-------------	-------------	-------------	--------------------

- F. Other than as described above, does the applicant or any person listed in items D or E have any present or past interest in or relationship with the project or the property on which it is located or with the owner or manager of same. Do any of the parties have any identity of interest whatsoever now existing or which will exist in connection with the project?

_____yes _____no If yes, furnish details on a separate attachment.

- G. Has the applicant or any person in items D or E above, shared or accepted any compensation or will they share or accept any compensation directly or indirectly in any form or with any other party with an interest in or a relationship to the project?

_____yes _____no If yes, furnish details on a separate attachment.

- H. Has the applicant or any person listed in items D or E above, entered into any agreement, participated in a collusion, or otherwise taken any action in restraint of free and competitive bidding or negotiation in connection with the services to be provided?

(Sponsors/Development Team must submit this in SECTION VIII and SECTION IX of the Application)

Project Name _____

CHOICE Subsidy

_____yes _____no

If yes, furnish details on a separate attachment.

- I. Have any of the above parties, within the last five years, been a party defendant in litigation or administrative proceedings involving laws governing hours of labor, minimum wage standards, discrimination in wages, child labor, worker's compensation, payroll or withholding taxes, employment discrimination or occupational safety and health?

_____yes _____no

If yes, furnish details on a separate attachment.

- J. Is the applicant or management of applicant or any of the persons listed in items D or E now a plaintiff or defendant in any civil or criminal litigation?

_____yes _____no

If yes, furnish details on a separate attachment.

- K. Have any of the persons listed in items D or E been subject to any disciplinary action, past or pending, by any administrative, governmental, or regulatory body?

_____yes _____no

If yes, furnish details on a separate attachment.

- L. Have any of the persons listed in items D or E been or are they now subject to any order resulting from any criminal, civil or administrative proceedings brought against them by any administrative, governmental, or regulatory agency?

_____yes _____no

If yes, furnish details on a separate attachment.

- M. Have any of the persons listed in items D or E been denied any license by any administrative, governmental, or regulatory agency on the grounds of moral turpitude?

_____yes _____no

If yes, furnish details on a separate attachment.

- N. Has the applicant or management of applicant or any of the persons listed in items D or E been informed of any current or on-going investigation of the applicant or management of the applicant for possible violation of State or Federal laws, or has the applicant or management of the applicant been indicted or subpoenaed by any grand jury or investigative body or had any records subpoenaed by any grand jury or investigative body?

_____yes _____no

If yes, furnish details on a separate attachment.

- O. Has the applicant or any person listed in items D or E above or any concern with which any person(s) listed been connected, ever been in receivership or adjudicated a bankrupt?

_____yes _____no

If yes, furnish details on a separate attachment.

- P. Has the applicant or any person listed in items D or E been denied a business related license or had it suspended or revoked by an administrative, governmental, or regulatory agency?

_____yes _____no

If yes, furnish details on a separate attachment.

- Q. Has the applicant or any person listed in items D or E been debarred, suspended, or disqualified from contracting with any federal, state, or municipal agency?

_____yes _____no

If yes, furnish details on a separate attachment.

(Sponsors/Development Team must submit this in SECTION VIII and SECTION IX of the Application)

Project Name _____
CHOICE Subsidy

R. Has the applicant, if a corporation, had its charter revoked or suspended in the State of New Jersey?

_____yes _____no If yes, furnish details on a separate attachment.

S. Are any of the persons listed in items D or E above or any of the applicant's supervisory employees or any members of their respective families, employed with the New Jersey Housing and Mortgage Finance Agency?

_____yes _____no If yes, furnish details on a separate attachment.

T. Does any employee or Member of the New Jersey Housing and Mortgage Finance Agency have any interest, direct or indirect, in the applicant's business?

_____yes _____no If yes, furnish details on a separate attachment.

1. Name and address and telephone number of counsel to Applicant:

2. Name and address of principal bank(s) of account:

Loan officer and telephone number:

3. Name and address of accountant to Applicant:

(Sponsors/Development Team must submit this in SECTION VIII and SECTION IX of the Application)

Project Name _____
CHOICE Subsidy

CERTIFICATION: I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge that the New Jersey Housing and Mortgage Finance Agency is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation, from the date of this Certification through the completion of any contracts with the Owner of the subject project to notify the Agency in writing of any changes to the answers or information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the Owner of the Project and that either the Owner or the New Jersey Housing and Mortgage Finance Agency, at its option, may declare all such contracts associated with the subject Project void and unenforceable.

I authorize the New Jersey Housing and Mortgage Finance Agency to verify any answer(s) contained herein, to investigate my background and credit worthiness and to enlist the aid of third parties in its investigative process including State police checks, which may be completed by the New Jersey Housing and Mortgage Finance Agency. I further authorize the New Jersey Housing and Mortgage Finance Agency to disclose any of the foregoing information and any information discovered in any investigation pursuant to this certification, to any party with whom I have entered or may enter into a contract in connection with the subject Project.

COMPANY NAME _____

SIGNATURE _____

NAME (print) _____

TITLE _____

DATE _____

BE IT REMEMBERED, that on this ____ day of _____, ____ before me personally appeared _____, who, I am satisfied is the person named in the within Instrument and who, being duly sworn upon his/her oath has executed the same as his/her voluntary act and deed.

Notary Public

(Sponsors/Development Team must submit this in SECTION VIII and IX of the Application)

Project Name _____
CHOICE Subsidy

PERSONAL QUESTIONNAIRE

HMFA# _____
Project Name _____
Date _____
Type of Service _____

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
CERTIFICATION AND QUESTIONNAIRE**

(Personal)

This information is necessary to obtain the approval of the New Jersey Housing and Mortgage Finance Agency, and it will be expressly relied upon. Complete each item using, "NONE" or "NOT APPLICABLE" where necessary. If more space is needed to answer any specific item, use a separate sheet.

A. Applicant (Officer, Director, Partner, Shareholder of 10% or more interest), Circle appropriate category and indicate name of entity.

Name _____ Street _____

City _____ County _____ State _____ Zip Code _____

Tel # _____ SS # _____ - - Date/Place of Birth _____ / _____

B. Please describe the type of services to be provided to the project and the amount and method of compensation:

C. Other than as described in Item B, do you have any present interest in or relationship with the project or the property on which it is located or do you have any identity of interest whatsoever now existing or which will exist in connection with the project?

_____yes _____no If yes, furnish details on a separate attachment.

D. Have you shared or accepted or will you share or accept any compensation directly or indirectly in any form whatsoever from or with any other party with an interest in or a relationship to the project?

_____yes _____no If yes, furnish details on a separate attachment.

E. Have you entered into any agreement, participated in a collusion, or otherwise taken any action in restraint of free and competitive bidding or negotiation in connection with the services to be provided?

_____yes _____no If yes, furnish details on a separate attachment.

(Sponsors/Development Team must submit this in SECTION VIII and IX of the Application)

Project Name _____
CHOICE Subsidy

- F. List all other companies, partnerships, or associations in which you have more than a 10% interest. (Use a separate page if needed.)
- G. Have you within the last five years, been a party defendant in litigation or administrative proceedings involving laws governing hours of labor, minimum wage standards, discrimination in wages, child labor, worker's compensation, payroll or withholding taxes, employment discrimination or occupational safety and health?
- _____yes _____no If yes, furnish details on a separate attachment.
- H. Have you ever been charged with, or convicted of any criminal offenses other than a minor motor vehicle violation?
- _____yes _____no If yes, furnish details on a separate attachment.
- I. Are you now a plaintiff or defendant in any civil or criminal litigation?
- _____yes _____no If yes, furnish details on a separate attachment.
- J. Have you been subject to any disciplinary action, past or pending, by any administrative, governmental or regulatory body?
- _____yes _____no If yes, furnish details on a separate attachment.
- K. Are you now subject to any order resulting from any criminal, civil or administrative proceedings brought against you by any administrative governmental or regulatory agency?
- _____yes _____no If yes, furnish details on a separate attachment.
- L. Have you ever been denied any license by any administrative, governmental or regulatory agency on the grounds of moral turpitude?
- _____yes _____no If yes, furnish details on a separate attachment.
- M. Are you or any member of your family (including in-laws) the subject of a current or ongoing investigation with respect to possible violations of state or federal laws, or have you or any member of your family (including in-laws) been subpoenaed or indicted by any grand jury or investigative body?
- _____yes _____no If yes, furnish details on a separate attachment.
- N. Have you ever been adjudicated a bankrupt or filed for bankruptcy?
- _____yes _____no If yes, furnish details on a separate attachment.
- O. Have you ever been denied a business-related license or had it suspended or revoked by any administrative, governmental or regulatory agency?

(Sponsors/Development Team must submit this in SECTION VIII and IX of the Application)

Project Name _____
CHOICE Subsidy

_____yes _____no

If yes, furnish details on a separate attachment.

P. Have you ever been debarred, suspended or disqualified from contracting with any federal, state or municipal agency?

_____yes _____no

If yes, furnish details on a separate attachment.

Q. Are you or any members of your family employed with the New Jersey Housing and Mortgage Finance Agency?

_____yes _____no

If yes, furnish details on a separate attachment.

CERTIFICATION: I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge that the New Jersey Housing and Mortgage Finance Agency is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation, from the date of this Certification through the completion of any contracts with the Owner of the subject project, to notify the Agency in writing of any changes to the answers or information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the Owner of the Project and that either the Owner or the New Jersey Housing and Mortgage Finance Agency, at its option, may declare all such contracts associated with the subject Project void and unenforceable.

I authorize the New Jersey Housing and Mortgage Finance Agency to verify any answer(s) contained herein, to investigate my background and credit worthiness and to enlist the aid of third parties in its investigative process including State police checks which may be completed by the New Jersey Housing and Mortgage Finance Agency. I further authorize the New Jersey Housing and Mortgage Finance Agency to disclose any of the foregoing information and any information discovered in any investigation pursuant to this certification, to any party with whom I have entered or may enter into a contract in connection with the subject Project.

SIGNATURE _____

NAME (print) _____

TITLE _____

DATE _____

BE IT REMEMBERED, that on this _____ day of _____, _____ before me personally appeared _____, who, I am satisfied is the person named in the within Instrument and who, being duly sworn upon his/her oath has executed the same as his/her voluntary act and deed.

Notary Public

SECTION IX

Key Development Team Members Summary

Everyone listed on the Summary in Section VIII (except the Attorney, Participating Lender, Development Coordinator/Liaison, Project Manager, Consultant and Marketing Agent) is considered part of the **development team**.

- ☐ Formation Certificates for Key Development Team Members
 - ☐ For Architect
 - ☐ For Engineer
 - ☐ For General Contractor
 - ☐ For Modular Company
- ☐ Certificate of Good Standing from the State of NJ (good within 6 months of application date)
 - ☐ For Architect
 - ☐ For Engineer
 - ☐ For General Contractor
 - ☐ For Modular Company

*Members of the development team must complete the Agency's Certification and Questionnaire forms, both Company and Personal, provided with the application. The Personal Questionnaire must be completed by all principals, as well as any partner or shareholder with more than a 10% interest in the company or project. Applications for program assistance will not be processed unless properly completed and fully executed notarized **original** forms are submitted.*

Any individual required to submit a Personal Questionnaire must also complete an "Authorization and Release to Obtain Information" form that a criminal history background investigation can be conducted when requested by the Agency (only if funds are awarded). The Agency will not permit a project closing and funds will not be released until the Criminal History Record is complete and reviewed by the Agency and, if required, the Attorney General's Office.

(Company and Personal Questionnaires are provided in Section VIII)

- ☐ COMPANY QUESTIONNAIRE* Must be complete, executed and notarized (Provided)
 - ☐ For Architect
 - ☐ For Engineer
 - ☐ For General Contractor
 - ☐ For Modular Company
- ☐ PERSONAL QUESTIONNAIRE* Must be complete, executed and notarized (Provided)
 - ☐ Signing Architect of Record
 - ☐ Every individual owning 10% or greater interest in the Engineering firm
 - ☐ Every individual owning 10% or greater interest in the General Contractor
 - ☐ Every individual owning 10% or greater interest in the Modular Company
- ☐ Resumes/List of Prior Experience
 - ☐ For Architect
 - ☐ For Engineer
 - ☐ For General Contractor
 - ☐ For Project Manager
 - ☐ For Development Coordinator/Liaison between developer and General Contractor
 - ☐ For Modular Company
- ☐ Evidence of contractor's registration with the New Jersey Department of Consumer Affairs (This may be required for scattered site rehabs only. HMFA will determine this on a project by project evaluation.)
- ☐ Proof of registration with NJ Department of Community Affairs for State Home Warranty Program (The entity transferring title must be registered. This can take up to 6 weeks and is needed by closing.)

SECTION X

Financing Information: A commitment from a construction lender is not required. If one has been obtained this may be provided. In any case, a Term Sheet from a construction Lender ("Participating Lender") is required. Any form of subsidy/gap funding for the construction of units such as CDBG, HOME, Federal Home Loan Bank, RCA funds, etc. must be **committed** and the commitment **evidenced in this section**. For projects of less than ten units, provide a letter from an appropriate lender demonstrating a willingness to underwrite the project within the fee structure permitted under the CHOICE Program.

- ☐ DEVELOPMENT BUDGET (provided)
(Total Development Cost shall not exceed \$275,000 per unit.) *Refer to page 10 of the 2015 CHOICE Program Guidelines.*
*Prepaid equity column will be used for items that apply to your 10% equity requirement.
- ☐ RESIDENTIAL STRUCTURE COST ANALYSIS (provided) (provided for Stick built/Panelized, Modular or Rehab) * (Residential Structures should not exceed \$130 per sq. ft. (\$150 per sq. ft. if on-site and off-site infrastructure are included) for construction projects.
Refer to page 10 of the 2015 CHOICE Program Guidelines.
- ☐ Engineer's Cost Estimate for Site Work per approved site plans
- ☐ Architect's or Engineer's Cost Estimate of the total construction cost by square footage or per unit cost.
- ☐ SOURCES OF FUNDS (provided)
- ☐ RANGE OF AFFORDABILITY WORKSHEET (provided)
- ☐ Lender references for projects completed by the Sponsor and contractor in past two years, *if applicable.*
- ☐ Lender letter for projects less than ten units, *if applicable.*
- ☐ Participating Lender Term Sheet - submit within 30 days of CHOICE application date (serving as a conditional letter of interest for construction lending) *Reference page 1 in the 2015 CHOICE Program Guidelines, "Participating Lender Involvement and the Intercreditor Agreement."*
- ☐ Proof of ability to meet equity requirement. *(Refer to page 11 of the 2015 CHOICE Program Guidelines)*
- ☐ Letters of commitment from other funding sources.
- ☐ Tax abatement verification and evidence of other municipal concessions or contributions, *if applicable.*
- ☐ Other Documentation Provided for Section X:

Project: 0
 Project #: 0
 Loan Officer: 0
 Date/Updated:

Total Units	Project Type:
	0
Total Sq. Ft.	

DEVELOPMENT BUDGET

Fill in all line items with a dollar amount or \$0.

BUILDING & PROPERTY ACQUISITION

Land	0	
Building	0	
Relocation	0	
Other:	0	
		0

CONSTRUCTION

Environmental Clearances	0	
Demolition for Environmental Clearances	0	
Off-Site Improvements	0	
On-Site Improvements	0	
Residential Structures	0	
Other:	0	
Other:	0	
		0

CONTRACTOR FEE (O&P)

0	0
---	---

CONSTRUCTION FEES

Building Permits	0	
Surety & Bonding	0	
Electric Connection Fees	0	
Gas Connection Fees	0	
Water Connection Fees	0	
Sewer Connection Fees	0	
Other:	0	
		0

PROFESSIONAL SERVICES

Appraiser	0	
Architect (if combined w/engineer separate)	0	
Civil Engineer (if combined w/architect separate)	0	
Attorney	0	
Cost Certification/Audit	0	
Environmental Consultant	0	
Historical Consultant	0	
Professional Planner	0	
Soil Investigation	0	
Surveyor	0	
Marketing/Advertising	0	
Counseling Fee	0	
3% Max Sellers Concession	0	
Other:	0	
		0

CARRYING AND FINANCING COSTS

Inspections	0	
Interest Costs	0	
Points & Bank Fees	0	
Property Insurance	0	
Real Estate Taxes	0	
Title Insurance & Recording	0	
Other:	0	
Other:	0	
		0

CONSTRUCTION COST SUBTOTAL

\$0	#DIV/0!	#DIV/0!	#DIV/0!	\$0	#DIV/0!
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DEVELOPER FEE/PROFIT

(only nonprofits may use as equity)

0	
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\$0	#DIV/0!	#DIV/0!	#DIV/0!	(equity=10% SUBTOTAL)
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UNIT SALES COMMISSION

0	
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\$0	#DIV/0!	#DIV/0!
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TOTAL DEVELOPMENT COST

\$0	#DIV/0!	#DIV/0!	\$ 275,000 Max
	per sq. foot	per unit	

% of TDC	Per Sq Ft Costs	Per Unit	Equity by Line Item
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
#DIV/0!	#DIV/0!	#DIV/0!	\$0

	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
#DIV/0!	#DIV/0!	#DIV/0!	\$0

#DIV/0!	#DIV/0!	#DIV/0!
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	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
#DIV/0!	#DIV/0!	#DIV/0!	\$0

	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
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	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
#DIV/0!	#DIV/0!	#DIV/0!	\$0

	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	
#DIV/0!	#DIV/0!	#DIV/0!	

CONSTRUCTION COST SUBTOTAL

0	
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#DIV/0!	#DIV/0!	#DIV/0!
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HARD COSTS CONTINGENCY

(Contingency requirement is 5% for New Construction & 10% for Rehab)

0	0
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#DIV/0!	#DIV/0!	#DIV/0!
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SOFT COSTS CONTINGENCY

(Contingency requirement is 2% of Professional Services & Carrying/Financing Costs)

0	0
---	---

#DIV/0!	#DIV/0!	#DIV/0!
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CONSTRUCTION FINANCING TOTAL

\$0	
-----	--

Do not type over any of the shaded blocks, they contain formulas.

Residential Structure Cost Analysis

Stick

New Construction

ONSITE IMPROVEMENTS

Subtotal: Onsite Improvements

CONCRETE

MASONRY

METALS

WOOD

MOISTURE PROTECTION

FINISHES

EQUIPMENT

FURNISHINGS

MECHANICAL

ELECTRICAL

GENERAL REQUIREMENTS

Subtotal: Residential Structures

Do not type over any of the shaded blocks, they contain formulas.

Residential Structure Cost Analysis

Modular

New Construction

1	Demolition Site / Site Prep & Removal	\$0	#DIV/0!
2	Excavation Site	\$0	#DIV/0!
3	BackFill @ Demo	\$0	#DIV/0!
4	Site Utility Installation:	\$0	#DIV/0!
	Including: Water, Sewar Main Extension, Site Lighting, &StormWater Management		
5	Off Site Improvements (Must Specify)	\$0	#DIV/0!
6	Paving Roadways & Parking Lots	\$0	#DIV/0!
7	Driveways	\$0	#DIV/0!
8	Fences & Gates	\$0	#DIV/0!
9	Curbs	\$0	#DIV/0!
10	Sidewalk / Walkways	\$0	#DIV/0!
11	Landscaping	\$0	#DIV/0!
Subtotal: Onsite Improvements		\$0	#DIV/0!

CONCRETE				
	1	Footings Including Excavation	\$0	#DIV/0!
	2	Foundation Including Waterproofing & Backfilling	\$0	#DIV/0!
	3	Slabs Interior Including Stone	\$0	#DIV/0!
	4	Slabs Exterior Including Sub. Base	\$0	#DIV/0!
MASONRY				
	1	Stucco / Masonary Exterior Finishes	\$0	#DIV/0!
	2	Siding Vinyl, Wood or Others: (Must Specify) Include mating	\$0	#DIV/0!
	3	Brick Work	\$0	#DIV/0!
METALS				
	1	Structural Steel	\$0	#DIV/0!
	2	Exterior Guard & Handrails	\$0	#DIV/0!
	3	Light Gauge Metal Studs	\$0	#DIV/0!
	4	Metal Stairs	\$0	#DIV/0!
WOOD				
	1	Carpentry: Modular Box (Include setting)	\$0	#DIV/0!
	2	Exterior Doors & Hardware	\$0	#DIV/0!
	3	Windows & Skylights	\$0	#DIV/0!
	4	Garage Doors	\$0	#DIV/0!
	5	Finish Carpentry: Include mating	\$0	#DIV/0!
		Including Interior Stairs,Rails Interior Doors, Trim, Cabintry & countertops		
MOISTURE PROTECTION				
	1	Roofing: Include mating	\$0	#DIV/0!
		(Including Gutters,Ledders & Piping)		
FINISHES				
	1	Drywall & Insulation: Include mating	\$0	#DIV/0!
	2	Painting: Include mating	\$0	#DIV/0!
	3	Wood Floors: Include mating	\$0	#DIV/0!
	4	Vinyl Flooring: Include mating	\$0	#DIV/0!
	5	Ceramic Tile: Include mating	\$0	#DIV/0!
	6	Carpeting: Include mating	\$0	#DIV/0!
EQUIPMENT				
	1	Kitchen Appliances/Washer Dryer	\$0	#DIV/0!
	2	Bathroom Accessories	\$0	#DIV/0!
	3	Elevators	\$0	#DIV/0!
FURNISHINGS				
	1	Blinds & Shades	\$0	#DIV/0!
	2	Specialities (list specific items)	\$0	#DIV/0!
MECHANICAL				
	1	Fire Surpression: Include mating	\$0	#DIV/0!
	2	Plumbing: Include mating	\$0	#DIV/0!
	3	Mechanical HVAC : (Include Additional Equipment) Include mating	\$0	#DIV/0!
ELECTRICAL				
	1	Electrical: Include mating	\$0	#DIV/0!
	2	Alarm System: Include mating	\$0	#DIV/0!
GENERAL REQUIREMENTS				
	1	General Conditions	\$0	#DIV/0!
	2	Mobilization	\$0	#DIV/0!
Subtotal: Residential Structures			\$0	#DIV/0!

ES	\$0	#DIV/0!
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Do not type over any of the shaded blocks, they contain formulas.

Project: 0
 Project #: 0
 Loan Officer: 0
 Date/Updated:

Residential Structure Cost Analysis Rehab

Total Units: 0	
Buildings Total SF = 0	
Scheduled Amount	Cost/GSF
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
\$0	#DIV/0!
Subtotal: Onsite Improvements	\$0 #DIV/0!

ONSITE IMPROVEMENTS

1	Demolition Site / Site Prep & Removal	\$0	#DIV/0!
2	Selective Demolition	\$0	#DIV/0!
3	Excavation Site	\$0	#DIV/0!
4	BackFill @ Demo	\$0	#DIV/0!
5	Site Utility Installation: Including: Water, Sewar Main Extention, Site Lighting, & Water Management	\$0	#DIV/0!
6	Off Site Improvements (Must Specify)	\$0	#DIV/0!
7	Paving Roadways & Parking Lots	\$0	#DIV/0!
8	Driveways	\$0	#DIV/0!
9	Fences & Gates	\$0	#DIV/0!
10	Curbs	\$0	#DIV/0!
11	Sidewalk / Walkways	\$0	#DIV/0!
12	Landscaping	\$0	#DIV/0!
Subtotal: Onsite Improvements		\$0	#DIV/0!

RESIDENTIAL STRUCTURES

CONCRETE			
1	Footings Including Excavation	\$0	#DIV/0!
2	Foundation Including Waterproofing & Backfilling	\$0	#DIV/0!
3	Slabs Interior Including Stone	\$0	#DIV/0!
4	Slabs Exterior Including Sub. Base	\$0	#DIV/0!
MASONRY			
1	Masonry Re-Pointing / Repaires	\$0	#DIV/0!
2	Stucco / Masonary Exterior Fhinshes	\$0	#DIV/0!
3	Siding Vinyl, Wood or Others (Must Specify)	\$0	#DIV/0!
4	Brick Work	\$0	#DIV/0!
METALS			
1	Structural Steel	\$0	#DIV/0!
2	Exterior Guard & Handrails	\$0	#DIV/0!
3	Light Guage Metal Studs	\$0	#DIV/0!
4	Metal Stairs	\$0	#DIV/0!
WOOD			
1	Rough Carpentry: Labor & Materail	\$0	#DIV/0!
2	Exterior Doors & Hardware	\$0	#DIV/0!
3	Windows & Skylights	\$0	#DIV/0!
4	Garage Doors	\$0	#DIV/0!
5	Finish Carpentry: Including Interior Stairs,Rails Interior Doors, Trim, Cabintry & countertops	\$0	#DIV/0!
MOISTURE PROTECTION			
1	Roofing: (Including Gutters,Ledders & Piping)	\$0	#DIV/0!
FINISHES			
1	Drywall & Insulation	\$0	#DIV/0!
2	Painting	\$0	#DIV/0!
3	Wood Floors	\$0	#DIV/0!
4	Vinyl Flooring	\$0	#DIV/0!
5	Ceramic Tile	\$0	#DIV/0!
6	Carpeting	\$0	#DIV/0!
EQUIPMENT			
1	Kitchen Appliances/Washer Dryer	\$0	#DIV/0!
2	Bathroom Accessories	\$0	#DIV/0!
3	Elevators	\$0	#DIV/0!
FURNISHINGS			
1	Blinds & Shades	\$0	#DIV/0!
2	Specialities (list specific items)	\$0	#DIV/0!
MECHANICAL			
1	Fire Surpression	\$0	#DIV/0!
2	Plumbing	\$0	#DIV/0!
3	Mechanical HVAC	\$0	#DIV/0!
ELECTRICAL			
1	Electrical	\$0	#DIV/0!
2	Alarm System	\$0	#DIV/0!
GENERAL REQUIREMENTS			
1	General Conditions	\$0	#DIV/0!
2	Mobilization	\$0	#DIV/0!
Subtotal: Residential Structures		\$0	#DIV/0!

TOTAL ONSITE IMPROVEMENTS AND RESIDENTIAL STRUCTURES	\$0	#DIV/0!
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Do not type over any of the shaded blocks, they contain formulas.

SOURCES OF FUNDS

Project Name: 0
Project #: 0
Loan Officer: 0
Date/Updated:

Total Units	Project Type
0	0

CONSTRUCTION FINANCING:

Construction Loan (Includes Total Contingency)

Lender portion

Agency portion

Total Construction Loan

Developer/Sponsor Equity:

Prepays (identified on budget)

Cash (identified on budget)

Total Equity: Prepays and Cash

Bridge Loans:

Pre-development Funding

CHOICE Subsidy (85% of Request)

Other Source:

Other Source:

TOTAL:

PERMANENT FINANCING:

Sales

CHOICE Subsidy (100% of Request)

Other Source:

Other Source:

TOTAL:

CONSTRUCTION CONTINGENCY	
HARD COST	0
SOFT COST	0
TOTAL	\$0

\$0 (Subsidy will be provided after the construction loans are depleted)

\$0 (Must Equal Construction Financing Total in Budget)

surplus(deficit) \$0 \$0

\$0 (equals 90% of sales)

\$0 (Must Equal Total Development Cost in Budget)

surplus(deficit) \$0 \$0

Do not type over any of the shaded blocks, they contain formulas.

List any affordability controls from other funding sources (if applicable):

List any municipal contributions such as environmental cleanup of site, tax abatement, etc.:

Project: 0
 Project #: 0
 Loan Officer: 0
 Date/Updated:

Total Units	0
Project Type	0

RANGE OF AFFORDABILITY WORKSHEET

Unit Type - pick from drop down box	Unit Type	Unit Type	Unit Type	Unit Type	Unit Type
Requested per unit subsidy	\$0	\$0	\$0	\$0	\$0
Emerging Market Rate	EMU	EMU	EMU	EMU	EMU
Number of Units					
Number of Bedrooms					
Number of Bathrooms					
Square Feet					
Family MEDIAN Income					
FINANCIAL INFORMATION					
Market Interest Rate (4.00%)					
Sales Price					
-Down Payment (5%)	0.00	0.00	0.00	0.00	0.00
Mortgage Amount	0.00	0.00	0.00	0.00	0.00
Annual Mortgage Cost (P&I)	0.00	0.00	0.00	0.00	0.00
Annual Real Estate Taxes					
Annual HOA Fees					
Annual Insurance Costs					
Total Annual PITI	0.00	0.00	0.00	0.00	0.00
Monthly PITI	0.00	0.00	0.00	0.00	0.00
Monthly Rental Income*	0.00	0.00	0.00	0.00	0.00
Yearly Rental Income*	0.00	0.00	0.00	0.00	0.00
Income Limit Range	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Cumulative Sales Proceeds: \$

Maximum Sales Commission - \$0

Total Subsidy requested \$0

*Fifty-percent of rental income used for qualifying Emerging Market units **ONLY**.

Do not type over any of the shaded blocks, they contain formulas.

SECTION XI

Market Information and Real Estate Sales Comparables:

- ☐ Information regarding the market and proposed sales prices as well as Real Estate Sales Comparables for each unit type proposed must be provided.

MARKET INFORMATION SHEET (Provided)

- ☐ Required photos
- ☐ Comparables for each unit type (Comps should be no older than 3 months prior to application date, check for actual sales in the project neighborhood not listings, comps should not be any further than 1 mile from the subject, compare sales prices (SP), closing date (CD), location, number of bedrooms, square footage, etc.)
- ☐ Map showing comparables (compare distance from project location)

In the event that required comparables as stated above are limited or do not exist, a market study is required.

- ☐ Market Study/Absorption Analysis ordered by the Agency (only for multi-story buildings or if requested otherwise by the Agency)

MARKET INFORMATION SHEET
(IN LIEU OF A FORMAL MARKET STUDY)

Project Name:

Project Address:

Municipality/County:

Please supply the following information:

- (1) PHOTOGRAPHS OF THE SUBJECT PROPERTY (at a minimum):
 - a. photo facing front of the site
 - b. photo facing the rear
 - c. photo of view looking north (capturing neighborhood view from the site)
 - d. photo of view looking south
 - e. photo of view looking east
 - f. photo of view looking west

- (2) DETAILED DESCRIPTION OF EACH TYPE OF UNIT TO BE DEVELOPED
Include unit size, type (townhome, condo, etc.), number of rooms, types of rooms, floor space of bedrooms, construction type involved, garage information, energy-efficient materials, finishes, etc. Also, include proposed sales price for each unit type.

- (3) ATTACH AT LEAST 3 (THREE) SALES COMPARABLES FOR EACH TYPE OF UNIT TO BE DEVELOPED
Comparables must be supplied by a licensed realtor familiar with the neighborhood and must be comparable unit sales **within 1 mile** of the project site or, if not, as close to the site as possible. These sales comparables should be **no older than three (3) months** prior to the application date and reflect actual property sales within the project neighborhood.

- (4) ATTACH MAP SHOWING PROJECT SITE AND LOCATION OF EACH COMPARABLE PROVIDED.

SECTION XII

Preliminary or Final Site Plans: Required from prior SECTION V. Attach here. Must have raised seal from the appropriate municipal authority.

- ☐ Preliminary or Final Site Plans.